



## Arkansas State Police Retirement System

Quarterly Board Meeting

Thursday, December 5, 2024, 10:00 a.m.

124 West Capitol Avenue, Suite 400, Little Rock 72201

*The meeting will be held in the APERS conference room located on the 4<sup>th</sup> floor. The meeting will be a hybrid and can be attended via Zoom via the link on our website, [www.apers.org](http://www.apers.org).*

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### AGENDA

1. Call to Order
2. Recognition of Notification of Meeting to News Media Pursuant to Act 93 of 1967 (AR Code 25-19-101) - Freedom of Information Act
3. Recognition of the Presence of a Quorum
4. **Action Item** – Approval of Minutes for the Board Meeting of August 22, 2024 **(Page 2)**
5. Election of a Chair
6. **Investments** – Mr. Carlos Borrromeo, Deputy Director of Investments and Finance
  - a. CIO Report **(Page 5)**
  - b. Quarterly Report for the Period Ending September 30, 2024 **(Page 14)**
7. **Finance** – Finance: Mr. Mita Drazilov and Ms. Heidi Barry, GRS, and Mr. Jason Willett, Chief Financial Officer
  - a. June 30, 2024 Actuarial Valuation Results **(Page 48)**
  - b. **Action Item:** Approve the annual reserve transfers
  - c. Financial Statements for the Quarter Ending September 30, 2024 **(Page 65)**
8. **Legal** – Ms. Laura Gilson, General Counsel
  - a. 2025 Legislation Update **(Page 67)**
9. **Benefits** – Ms. Allison Woods, Deputy Director of Benefits
  - a. Benefits Summary **(Page 69)**
10. **Executive Report** – Ms. Amy Fecher, Executive Director
  - a. Executive Report Review **(Page 71)**
11. Next Calendar Year Board Meetings
  - March 13, 2025, at 10:00 a.m.
  - June 12, 2025, at 10:00 a.m.
  - September 11, 2025, at 10:00 a.m.
  - December 4, 2025, at 10:00 a.m.
12. Adjournment

## **Arkansas State Police Retirement System**

### **Board of Trustees**

**August 22, 2024**

The regular meeting of the Board of Trustees of the Arkansas State Police Retirement System was held on Thursday, August 22, 2024, at 10:00 a.m. This hybrid meeting was held via ZOOM remote conferencing in the Conference Room, 124 West Capitol, Little Rock, Arkansas. Captain Scott Joe presided.

Captain Drown recognized the presence of a quorum and called the meeting to order.

#### **Board Members Present**

Captain Kyle Drown, ASP Tier I  
Captain Scott Joe, Chair, ASP Tier II  
Mr. John Allison, ASP Commissioner  
Mr. Donnie Underwood, Citizen at Large  
Ms. Denise Bugos, Citizen at Large\*  
Mr. Andy Babbitt, Department of Finance and Administration

#### **Visitors**

Ms. Kelsi Hogg, Arkansas Legislative Audit  
Mr. Kevin Balaod, With Intelligence\*

#### **APERS Staff Present**

Ms. Amy Fecher, Executive Director  
Ms. Allison Woods, Deputy Director of Benefits  
Mr. Carlos Borromeo, Deputy Director of Investments & Finance  
Ms. Ashley Golleher, Deputy Director of Operations  
Mr. Jason Willett, Chief Financial Officer  
Mr. Phillip Norton, Director of IT  
Ms. Laura Gilson, General Counsel  
Mr. Richmond Giles, Staff Attorney  
Ms. Patty Shipp, Assurance Officer  
Ms. Jacobia Bates, Director of Public Affairs  
Ms. Cheryl Wilburn, Benefits Operations Manager\*  
Ms. Kristi Brown, Retirement Coordinator\*  
Ms. Usha Doolabh, APERS Investment Manager  
Ms. Jennifer Taylor, Director of Benefits Administration\*  
Ms. Stacie Jackson, Administrative Specialist III\*  
Ms. Meredith Kittler, Administrative Specialist III

\*Remote Attendees

#### **News Media Notified**

An e-mail with notification of the Arkansas Public Employees' Retirement System Board meeting was sent to the Arkansas Democrat-Gazette, the Associated Press, and various news outlets. It was also

posted on Arkansas.gov. This notification is pursuant to A.C.A. §25-19-101 (Act 93 of 1967), as amended, *a.k.a.* the Arkansas Freedom of Information Act.

### **Minutes**

A copy of the minutes from the meeting of May 16, 2024, was e-mailed to each Trustee prior to the meeting. Capt. Joe made a motion to accept the minutes as presented. Mr. Underwood seconded the motion. With no objection, the minutes were approved as presented.

### **Investments**

#### **CIO Report**

Mr. Borromeo presented the CIO Report for the quarter ending June 30, 2024. Growth continues to outperform value. The magnificent 7 continues to dominate markets. The APERS/ASPRS fund returned 10.42 % for the fiscal year.

### **Finance**

Mr. Willett shared the financial statements for the quarter ending June 30, 2024, ASPRS fiduciary net position was \$439,504,672. Net Investment income for the fiscal year ending June 30, 2024, was \$39,221,918.

### **Legal:**

Ms. Gilson shared that the ASPRS rules have been reviewed by the ALC Rules Committee and approved for codification. The Arkansas Legislature began a process a few years ago to codify the rules of every state agency so that there would be a uniform rule style among state agencies, posted to a single website. The Bureau of Legislative Research has indicated to APERS that the codified version of ASPRS rules could be posted live on the legislative website by early 2025.

APERS staff is preparing for the upcoming legislative session. The ASPRS board would like for staff to consider legislation extending DROP benefits to ten years to be in line with other state systems. All draft legislation will be shared with the board in the December meeting.

### **Benefits**

Ms. Allison Woods presented a comprehensive benefits summary that encompassed membership information, eligibility criteria for benefits, retirement benefits, and details pertinent to new retirees. Regarding the legislative suggestion for the Deferred Retirement Option Plan (DROP), Ms. Woods noted a current decline in DROP enrollment, which primarily consists of Tier 1 participants. In the forthcoming years, approximately 30 members in Tier 2 will become eligible for DROP. It is also noteworthy that state police personnel benefit from a higher multiplier compared to the Arkansas Public Employees Retirement System (APERS). Additionally, the benefit of the DROP is that it offers a lump-sum payment option.

### **Executive Report**

Executive Director Fecher provided an update on the strategic planning process and extended an invitation to board members for an upcoming workshop. The staff has officially completed the financial closing for Fiscal Year 2024. Budget hearings for the forthcoming biennium budgets are scheduled for October 9, 2024. Furthermore, the board meeting dates will be adjusted; due to the legislative counsel's meetings occurring during the third week of each month, our meetings will now take place in the second week. The next board meeting is scheduled for December 5, with additional

meetings planned for the following year. Mr. Allison praised our performance in the investment sector, and the Capt. Drown expressed appreciation for our team's contributions.

**Upcoming Board Meetings:**

Next Quarterly Board Meeting –Thursday, December 5, 2024, at 10:00 a.m.

With no other business the meeting was adjourned.

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Captain Kyle Drown  
Chair

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Ms. Amy Fecher  
Executive Director



**ASPRS**

ARKANSAS STATE POLICE  
RETIREMENT SYSTEM

DELIVERING SECURE RETIREMENT BENEFITS  
AND EXCEPTIONAL SERVICE TO OUR MEMBERS.

# Chief Investment Officer Report

*For the Quarter Ending September 30, 2024*

# Third Quarter 2024 - Summary

Since June 30, there have been a few major headlines of note

- There were two separate assassination attempts on former President Trump
- President Biden stepped out of the election; V.P. Harris got the nomination.
- The Middle East conflict escalated.
- The Yen carry trade blew up and sent global markets into a brief tailspin
- Investors switched from questioning the duration of the A.I. enthusiasm to being incredibly bullish on A.I.
- Economic data indicated large negative revisions to the jobs data, but slowing inflation.
- The previous two bullet points provided the Fed enough reason to cut interest rates by 50 basis points, and the markets were overjoyed.

# Second Quarter 2024 – APERS/ASPRS Portfolio

Benchmarks		APERS/ASPRS Portfolio			
U.S. Equity	Qtr		Q3 2024	30-Sep-24	Allocation
S&P 500	5.89%	<b>Domestic Equity</b>	<b>5.23%</b>	\$ 4,812,505,908	40.18%
Russell 1000 Growth	3.19%	<b>International Equity</b>	<b>8.03%</b>	\$ 2,829,549,226	23.63%
Russell 1000 Value	9.43%	<b>Private Markets</b>	<b>0.96%</b>	\$ 391,165,794	3.27%
Russell 2000 Index	9.27%	<b>Fixed Income</b>	<b>5.52%</b>	\$ 2,096,028,980	17.50%
Russell 2000 Growth	8.41%	<b>Real Assets</b>	<b>0.64%</b>	\$ 1,591,169,467	13.29%
Russell 2000 Value	10.15%	<b>APERS Total Portfolio</b>	<b>5.13%</b>	\$ 11,720,419,375	
Russell 3000 Index	6.23%			\$ 256,383,461	Cash
<b>International Equity</b>				\$ 11,976,802,836	TOTAL FUND
MSCI EAFE	7.26%				
MSCI ACWI xUS	8.06%				
<b>Fixed Income</b>					
Bloomberg Agg	5.20%				
Bloomberg High Yield	5.28%				
				\$ 448,358,253.48	ASPRS Plan
				\$ 7,136,794.57	ASPRS Cash
				\$ 455,495,048.05	

# Third Quarter 2024 – Domestic Equities

- The markets broadened from the mega cap dominant performance.
- Investor sentiment shifted away from the mega cap names in favor of smaller companies with more attractive valuations. The small cap RU2000 index was up 9.27%
- Value outperformed Growth
- Moderate economic growth as U.S. GDP growth continued to hold in a 2% to 3% range. The consumer remains resilient.
- U.S. industrial production remained weak except for some strength in technology.
- Roughly 50% of the S&P 500 reported earnings, with the results being in-line or better than expected.
- The market risk continued to be the U.S. elections.

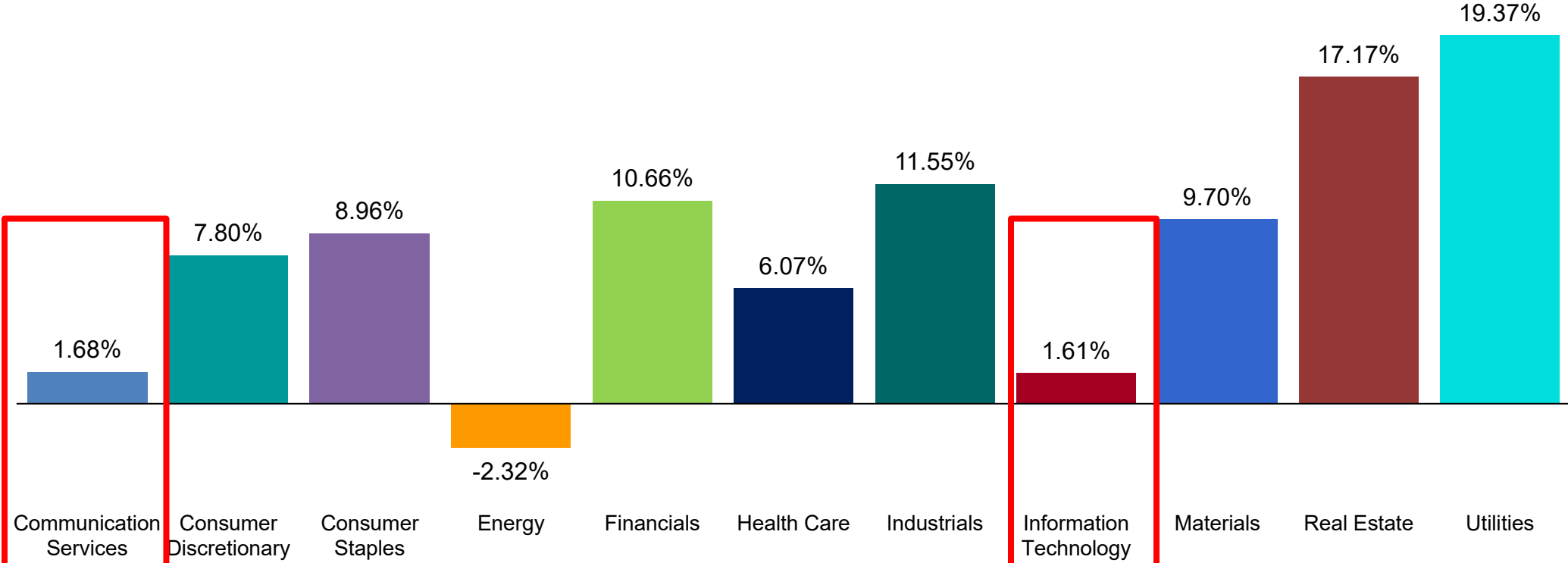
	Qtr
<b>S&amp;P 500</b>	5.89%
<b>Russell 1000 Growth</b>	3.19%
<b>Russell 1000 Value</b>	9.43%
<b>Russell 2000 Index</b>	9.27%
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<b>MSCI EAFE</b>	7.26%
<b>MSCI ACWI xUS</b>	8.06%
<b>Bloomberg Agg</b>	5.20%
<b>Bloomberg High Yield</b>	5.28%



# Third Quarter 2024 – S&P Quarter Performance

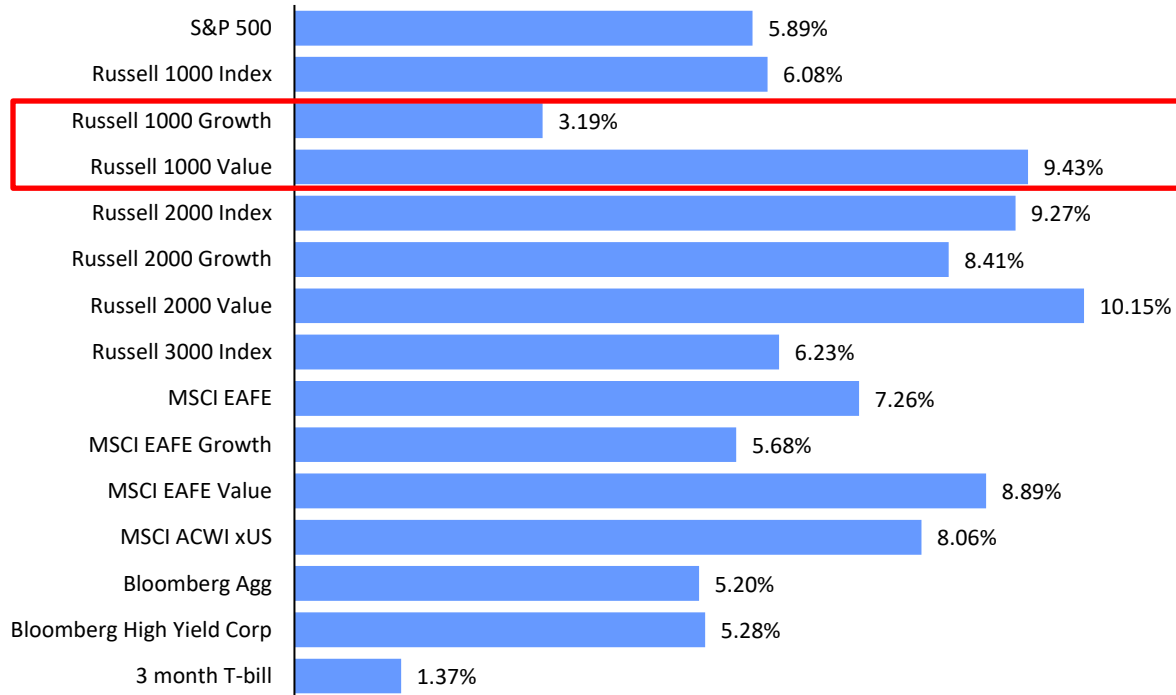
- The S&P 500 returned 5.9%, outperforming the tech heavy RU1000 Growth index which returned 3.2%

Industry Sector Quarterly Performance (S&P 500) as of 9/30/2024

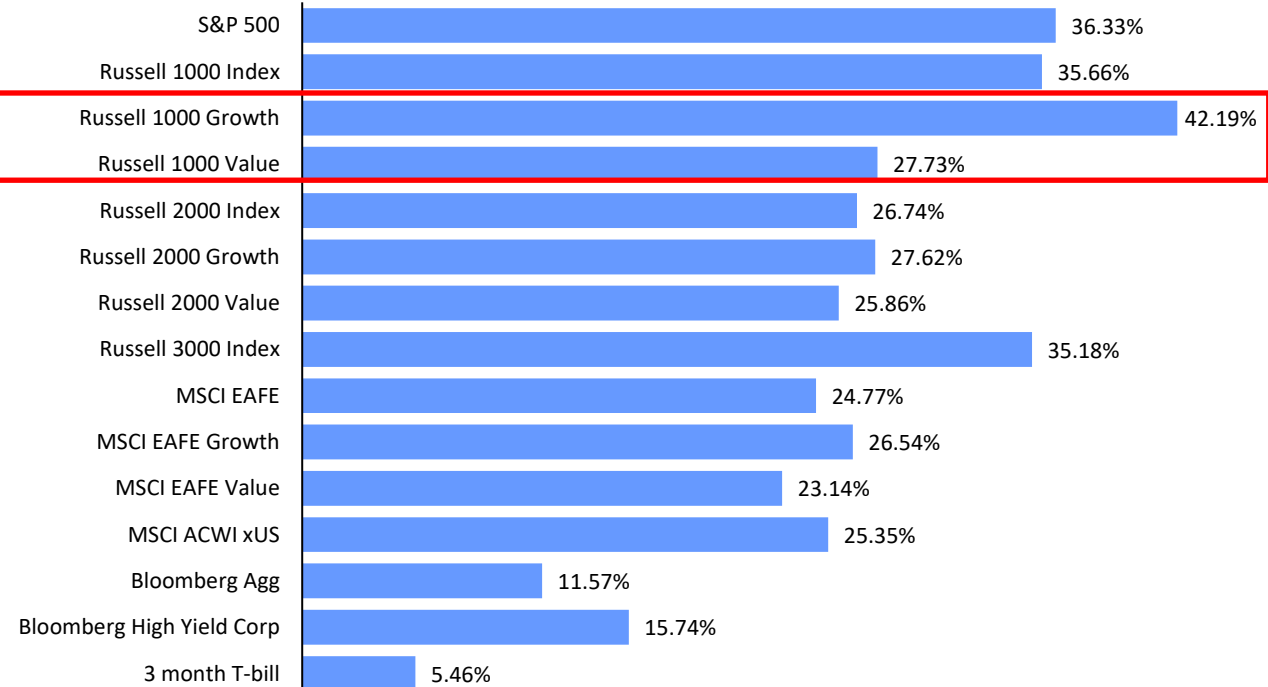


# Third Quarter 2024 – Domestic Equity Indices

Performance by Asset Class: Quarter Ended 9/30/24

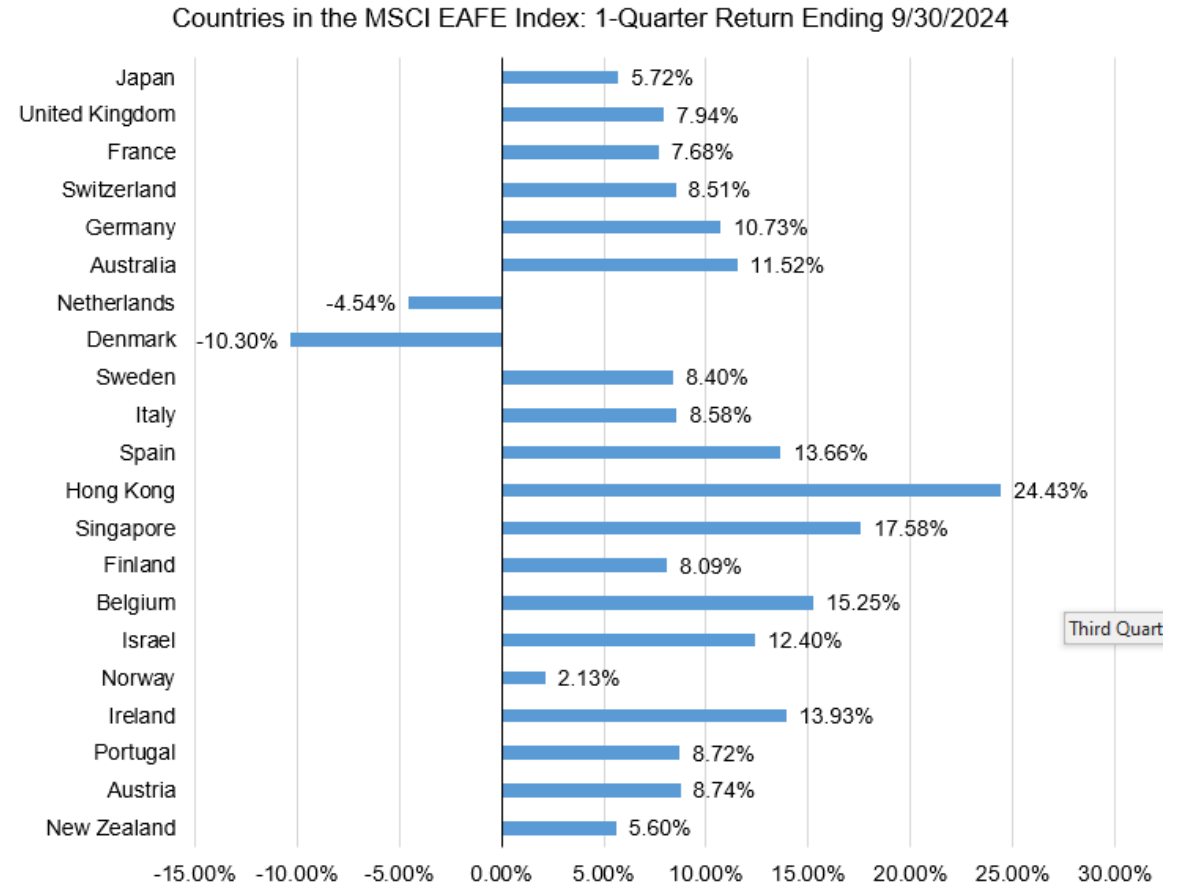
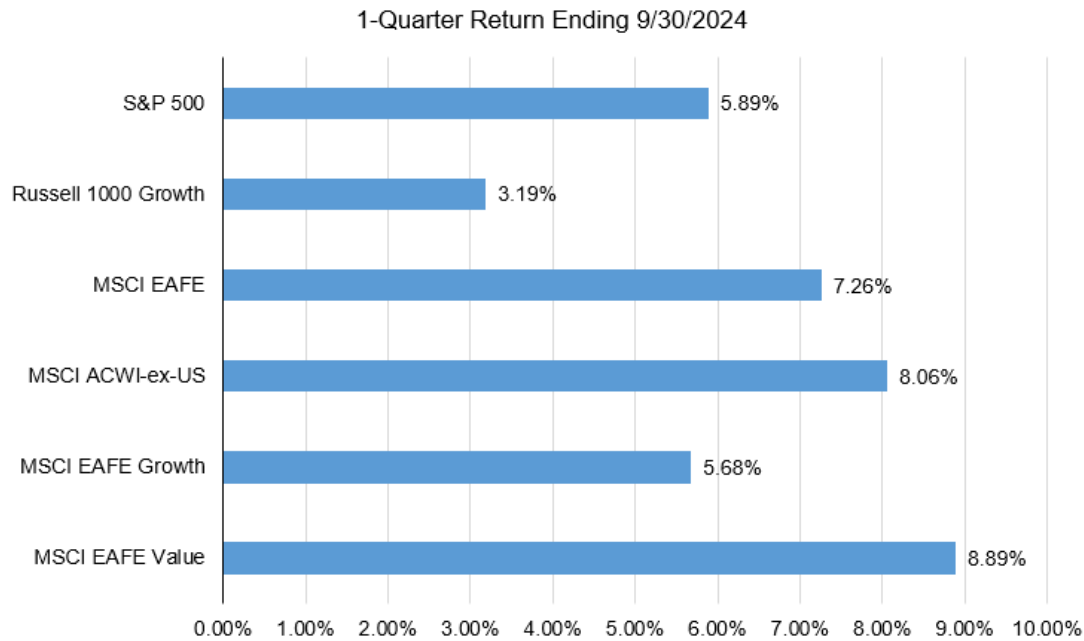


Performance by Asset Class: One Year Ended 9/30/24



# Third Quarter 2024 – Global Equities

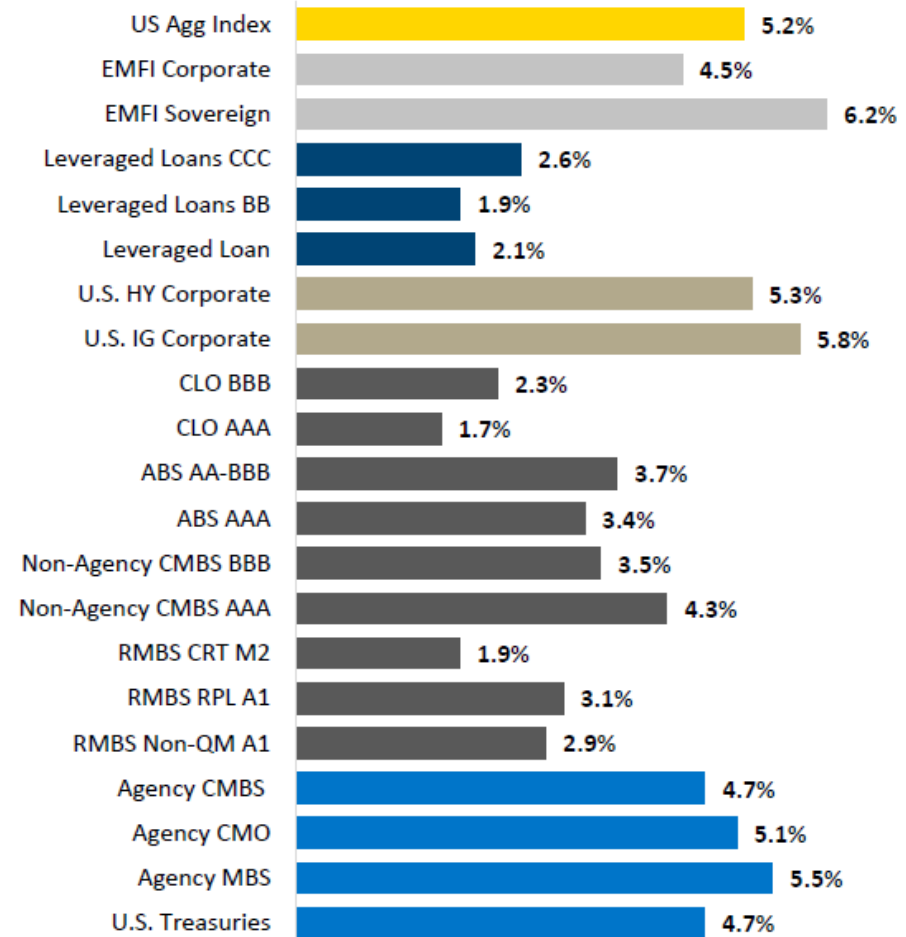
- Global short rates moved lower with interest rate cuts from the US Fed, the European Central Bank (ECB), and the Bank of China



# Third Quarter 2024 – Fixed Income

- The Fed did cut rates as expected.
- The data continues to suggest a relatively soft landing with GDP growth still healthy and labor markets stabilizing. The risks of a near term recession abated.

3Q2024 Fixed Income Index Performance | As of Sept. 30, 2024



# Glossary of Terminology

The Super 6 = “MANMAT” = Microsoft, Apple, NVIDIA, Meta (Facebook), Amazon, Tesla.

Magnificent 7 = “MANMAT” + Alphabet (Google) = MANMAAT

Fed = The U.S. Federal Reserve Bank

S&P 500 = Standard and Poor’s 500

Q4 = Fourth Quarter

YTD = Year to Date; FYD = Fiscal Year to Date

Bloomberg Agg = Bloomberg Aggregate Index

U.S. T-bill = United States Treasury Bill

Value = Value Stocks

Growth = Growth Stocks

EAFE = Europe Asia Far East

ACWI = All Country World Index

IG = Investment Grade

December 4, 2024



## **Executive Summary Third Quarter 2024**

Arkansas Public Employees  
Retirement System

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**Brianne Weymouth, CAIA**  
Senior Vice President

**John Jackson, CFA**  
Senior Vice President

Important Disclosures regarding the use of this document are included at the end of this document. These disclosures are an integral part of this document and should be considered by the user.

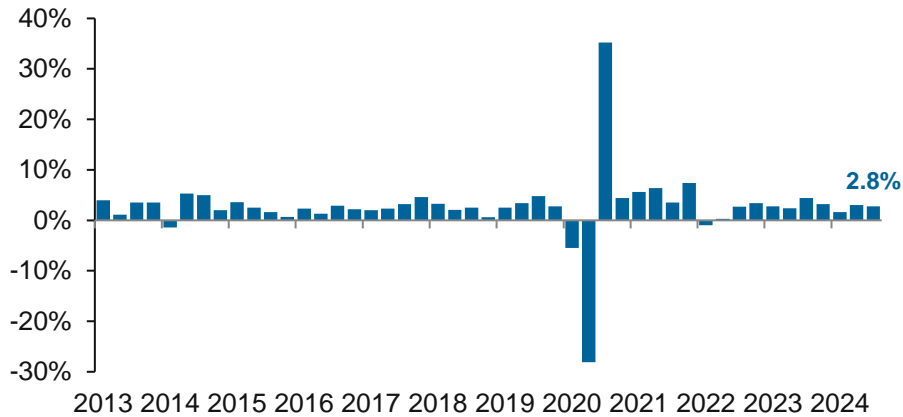


## Economic Overview

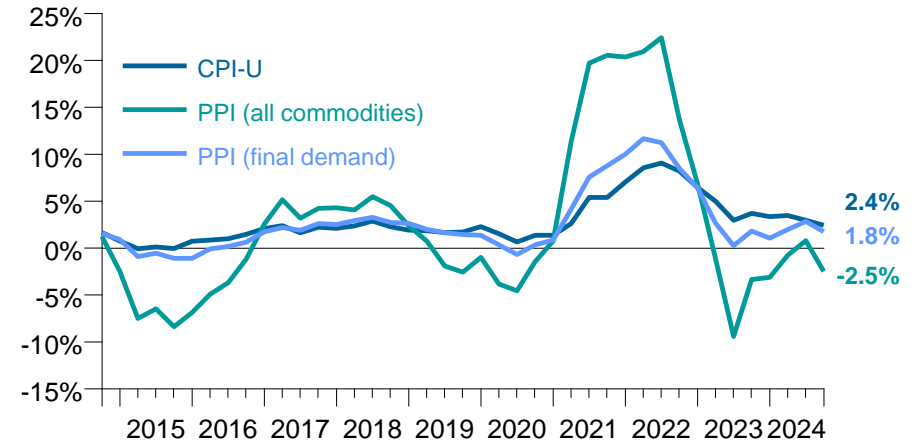
# U.S. Economy—Summary

For periods ended 9/30/24

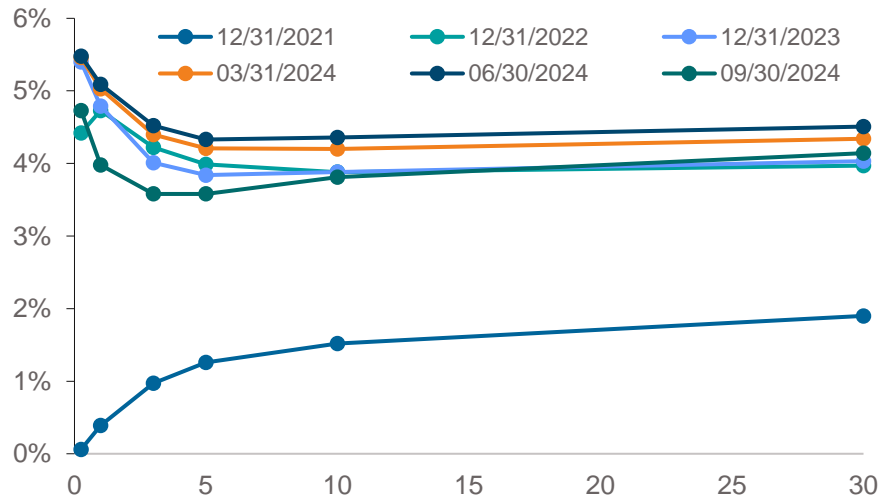
Quarterly Real GDP Growth



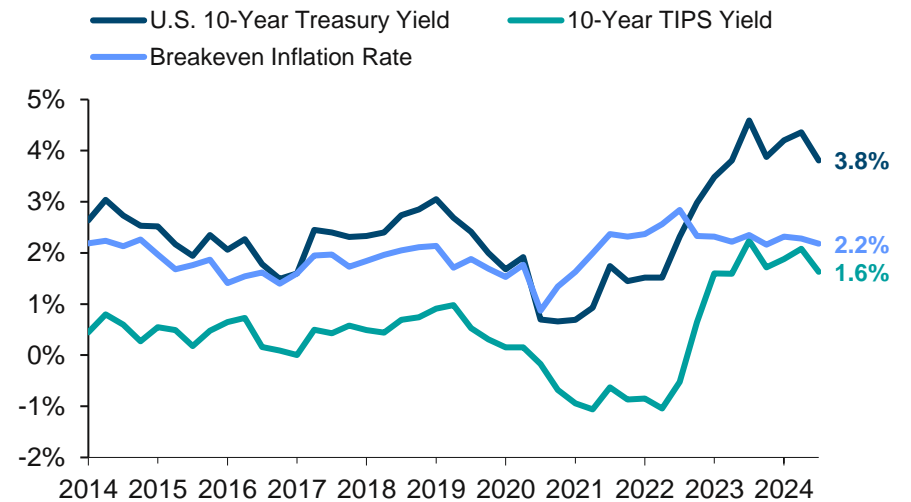
Inflation Year-Over-Year



U.S. Treasury Yield Curves



Historical 10-Year Yields



Sources: Bureau of Labor Statistics, Callan, Federal Reserve





# Global Markets Snapshot

## Returns for Periods ended 9/30/24

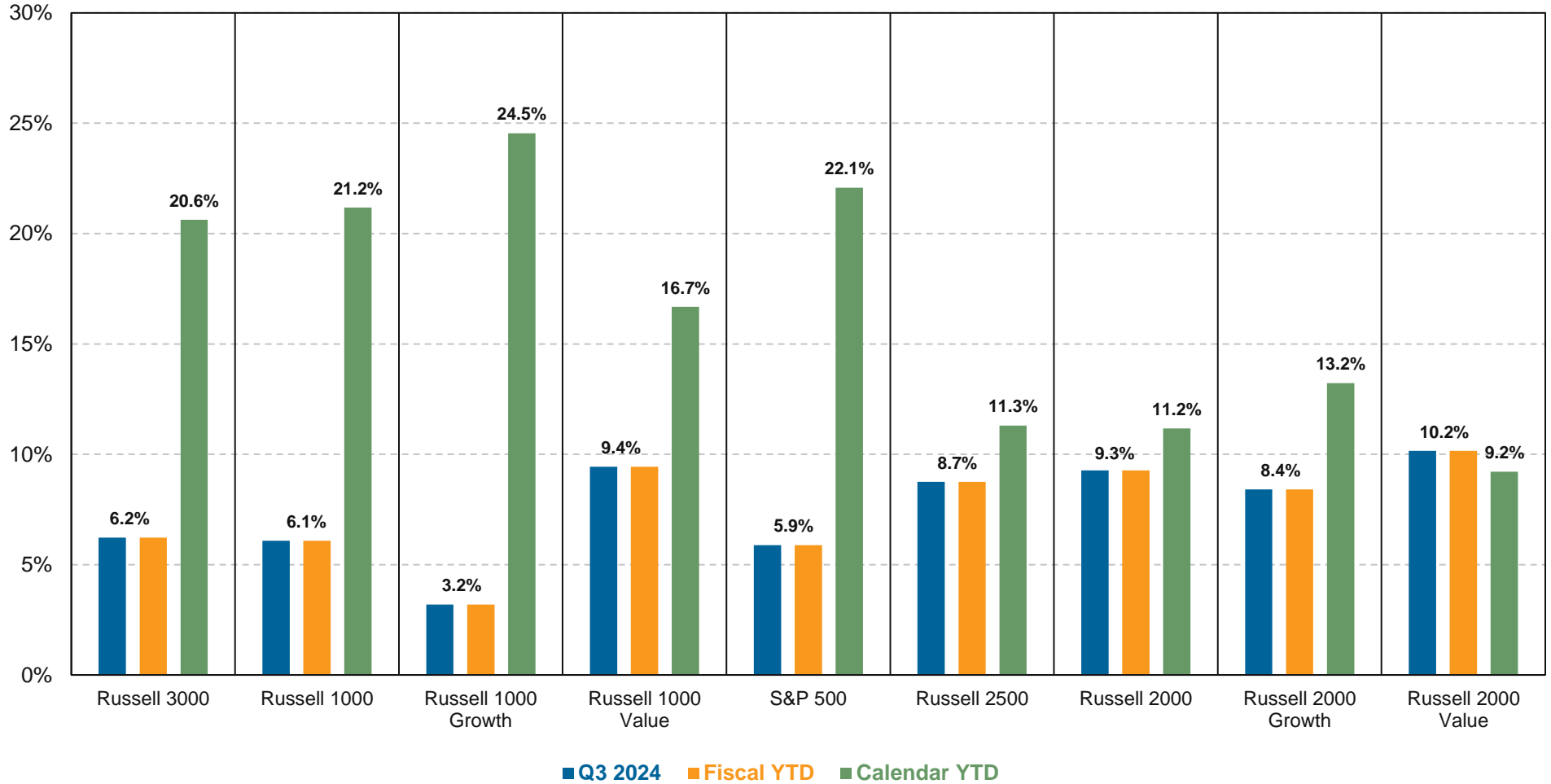
	Q3 2024	FYTD	1 Year	5 Years	10 Years	25 Years
<b>U.S. Equity</b>						
S&P 500	5.89	5.89	36.35	15.98	13.38	8.20
Russell 1000 Growth	3.19	3.19	42.19	19.74	16.52	8.48
Russell 1000 Value	9.43	9.43	27.76	10.69	9.23	7.68
Russell 2000	9.27	9.27	26.76	9.39	8.78	8.27
Russell 2000 Growth	8.41	8.41	27.66	8.82	8.95	6.98
Russell 2000 Value	10.15	10.15	25.88	9.29	8.22	9.10
Russell 3000	6.23	6.23	35.19	15.26	12.83	8.38
<b>Global ex-U.S. Equity</b>						
MSCI World ex USA	7.76	7.76	24.98	8.36	5.68	4.77
MSCI:EAFE	7.26	7.26	24.77	8.20	5.71	4.60
MSCI Emerging Markets	8.72	8.72	26.05	5.75	4.03	--
MSCI ACWI ex USA Small Cap	8.90	8.90	23.25	8.21	6.08	6.79
<b>Fixed Income</b>						
Bloomberg Aggregate	5.20	5.20	11.57	0.33	1.84	4.06
90-day T-Bill	1.37	1.37	5.46	2.32	1.65	1.92
Bloomberg Long Gov/Credit	7.96	7.96	17.24	-1.97	2.32	5.62
Bloomberg Global Agg ex-US	8.52	8.52	12.28	-1.86	-0.50	2.62
<b>Real Estate</b>						
NCREIF Property	-0.26	-0.26	-4.47	3.05	5.77	7.62
NCREIF NFI ODCE Eq Wt Net	-0.06	-0.06	-8.43	2.33	5.46	6.12
FTSE Nareit Equity	16.09	16.09	34.74	5.46	7.83	10.08
<b>Alternatives</b>						
HFRI Fund Weighted	2.84	2.84	12.64	7.41	5.12	6.09
Cambridge Private Equity*	1.00	1.00	4.62	13.84	13.10	12.73
<b>Inflation - CPI-U</b>						
	0.36	0.36	2.44	4.19	2.85	2.55

\*Cambridge PE data as of 06/30/24

Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

# U.S. Equity Market Snapshot: Q3 2024

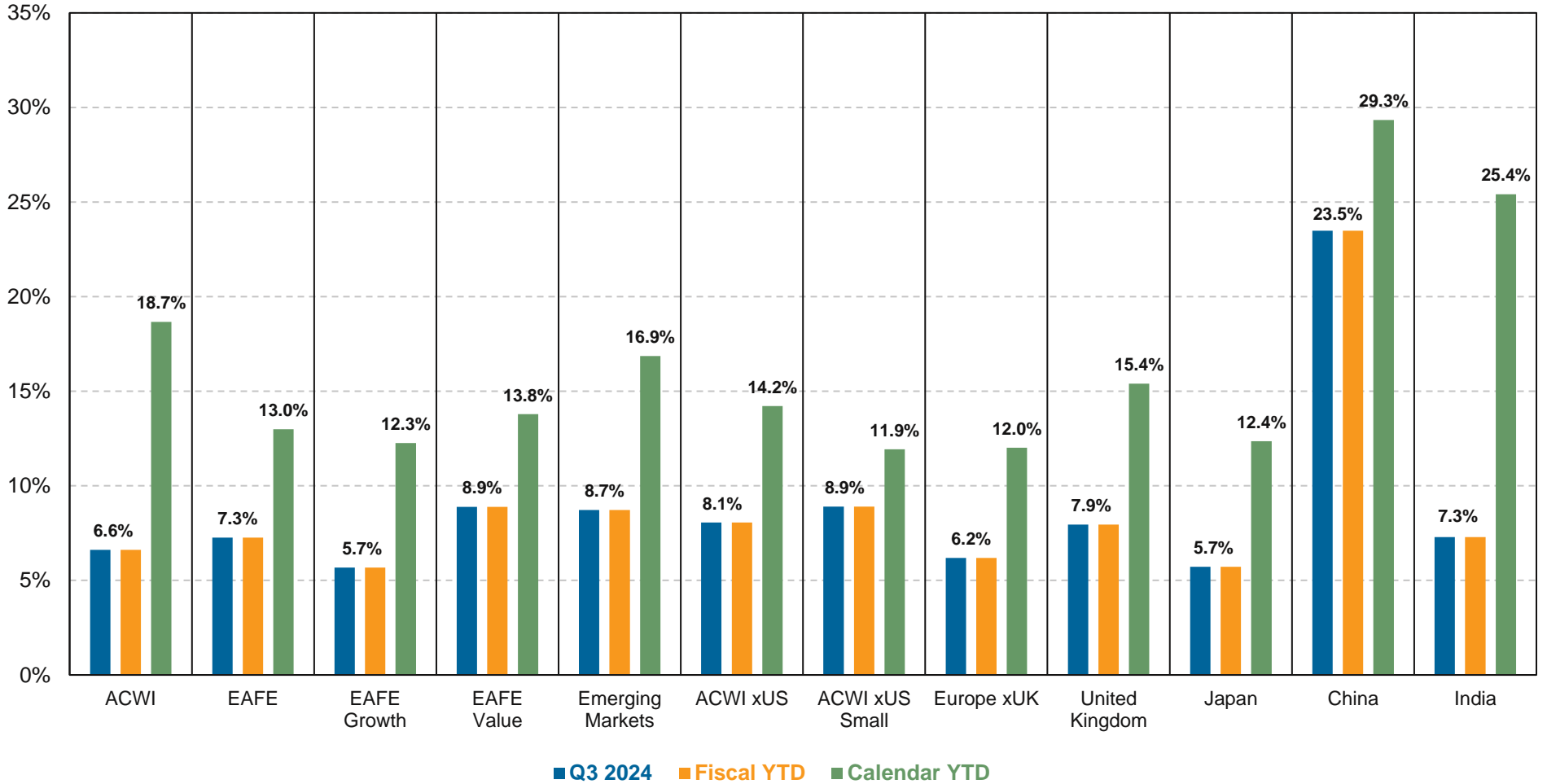
Returns for Periods Ended September 30, 2024



Sources: FTSE Russell, S&P Dow Jones Indices

# Global Equity Market Snapshot: Q3 2024

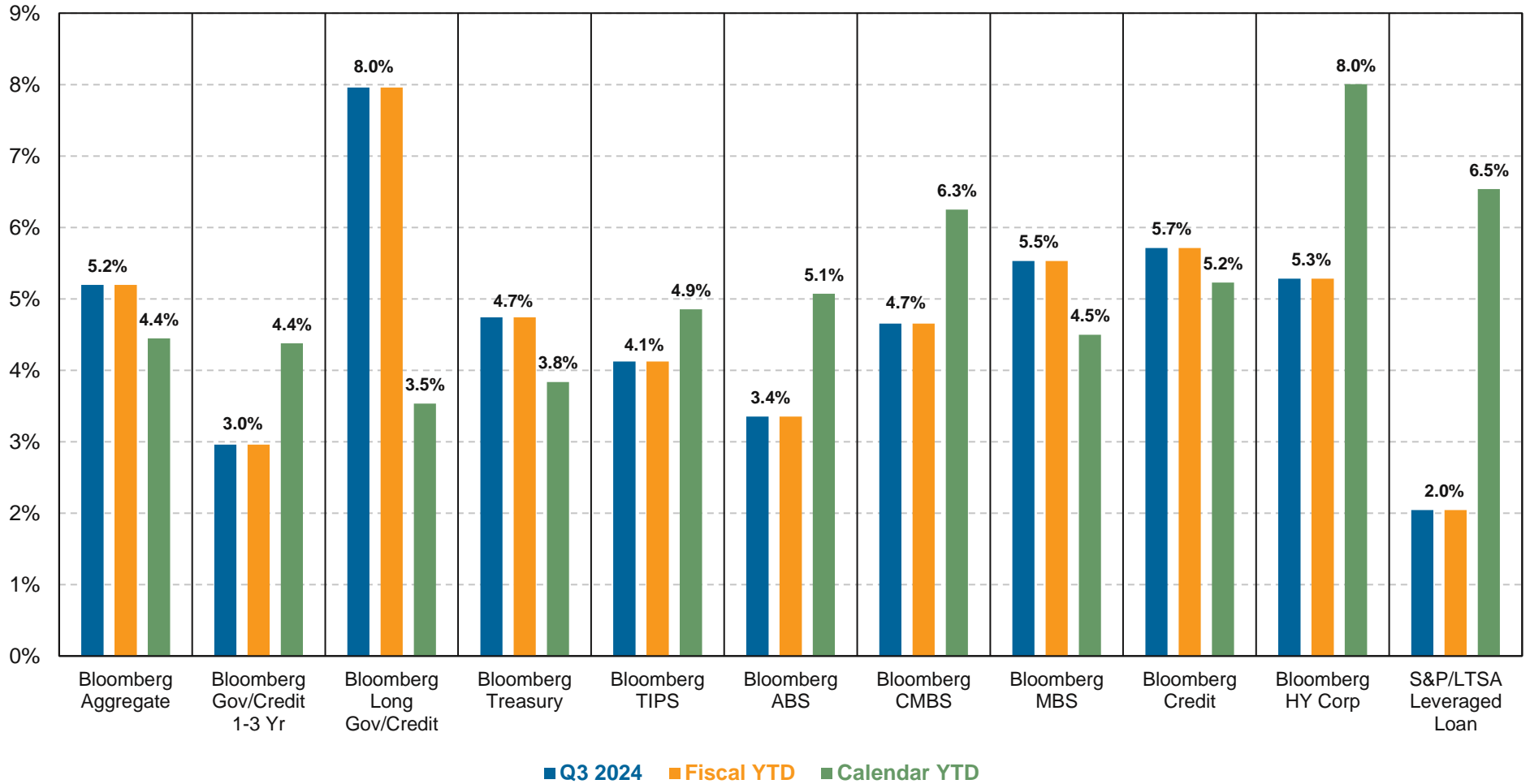
Returns for Periods Ended September 30, 2024



Source: MSCI

# U.S. Fixed Income Market Snapshot: Q3 2024

Returns for Periods Ended September 30, 2024



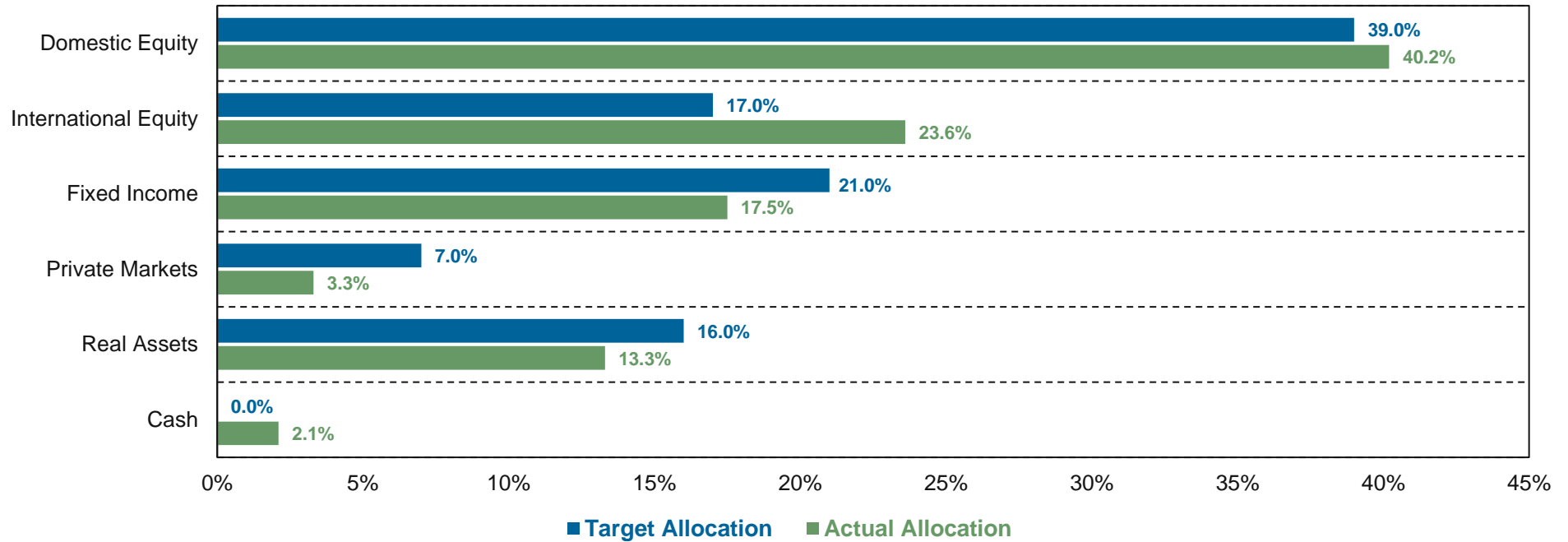
Sources: Bloomberg, Callan, S&P Dow Jones Indices



## APERS Portfolio Review

# Actual vs. Target Asset Allocation\*

September 30, 2024

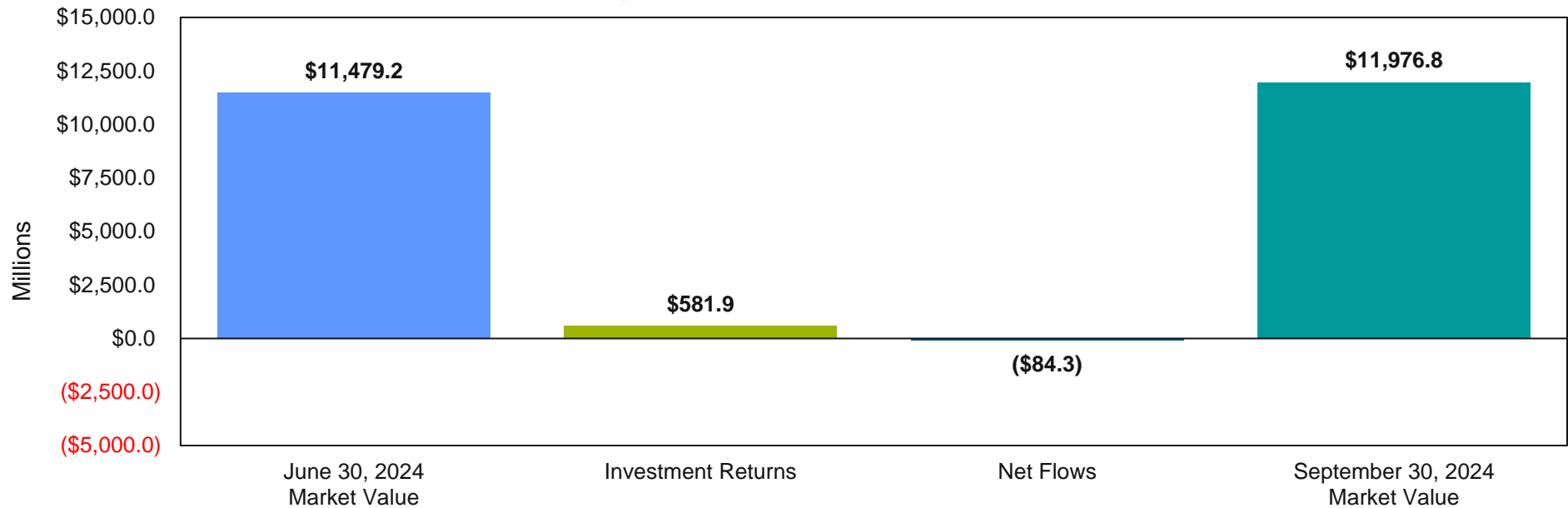


Asset Class	\$Millions Actual	Weight Actual	Min. Target	Target	Max. Target
Domestic Equity	4,813	40.2%	34.0%	39.0%	44.0%
International Equity	2,830	23.6%	12.0%	17.0%	22.0%
Domestic Fixed Income	2,096	17.5%	16.0%	21.0%	26.0%
Private Markets	391	3.3%	2.0%	7.0%	12.0%
Real Assets	1,591	13.3%	11.0%	16.0%	21.0%
Cash	256	2.1%	0.0%	0.0%	5.0%
<b>Total</b>	<b>11,977</b>	<b>100.0%</b>		<b>100.0%</b>	

\*The target asset allocation was approved in February 2023. The benchmark will be modified to reflect the new long-term targets when the Private Equity allocation has been fully implemented. Benchmark definitions can be found in the appendix.

# Total Fund Asset Summary

Changes in Total Fund Assets – Q3 2024



	Beginning Market Value	+	Investment Gain/(Loss)	+	Net Flows	=	Ending Market Value
Q3 2024 / Fiscal YTD (6/30/24 - 9/30/24)	11,479,176,077	+	\$581,910,794	+	(\$84,284,034)	=	\$11,976,802,837



# Total Fund Performance

September 30, 2024

Returns for Periods Ended September 30, 2024

Group: Callan Public Fund Spr DB

	Q3 2024	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile:	6.03%	23.67%	6.38%	9.66%	8.48%	7.99%
25th Percentile:	5.46%	21.52%	5.52%	9.10%	8.02%	7.71%
Median	4.87%	19.40%	4.65%	8.53%	7.54%	7.37%
75th Percentile:	4.08%	17.27%	3.75%	7.69%	7.05%	6.92%
90th Percentile:	3.75%	15.18%	2.96%	6.90%	6.48%	6.57%
Peer Universe Constituents	333	333	321	320	301	220
<b>Total Fund</b>	<b>5.13% (40)</b>	<b>20.18% (40)</b>	<b>4.22% (63)</b>	<b>8.64% (45)</b>	<b>7.68% (46)</b>	<b>7.65% (29)</b>
Benchmark	5.53% (22)	21.02% (29)	5.59% (23)	9.00% (31)	7.78% (40)	7.66% (28)

Peer group ranking in parentheses.  
Benchmark definitions included in the Appendix.

# Total Fund Performance

September 30, 2024

Returns for Periods Ended September 30, 2024

Group: Callan Public Fd V Lg DB (>\$10B)

	Q3 2024	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile:	5.44%	20.18%	6.83%	9.84%	8.65%	8.03%
25th Percentile:	5.14%	18.95%	6.16%	9.54%	8.24%	7.91%
Median	4.59%	17.55%	4.92%	9.03%	7.88%	7.67%
75th Percentile:	4.08%	15.28%	4.22%	8.31%	7.36%	7.38%
90th Percentile:	3.45%	13.41%	3.40%	7.80%	7.21%	6.83%
Peer Universe Constituents	52	52	52	52	50	48
<b>Total Fund</b>	<b>5.13% (27)</b>	<b>20.18% (10)</b>	<b>4.22% (75)</b>	<b>8.64% (67)</b>	<b>7.68% (63)</b>	<b>7.65% (51)</b>
Benchmark	5.53% (8)	21.02% (2)	5.59% (33)	9.00% (53)	7.78% (56)	7.66% (51)

Peer group ranking in parentheses.  
Benchmark definitions included in the Appendix.

# Asset Class Performance and Market Values

September 30, 2024

	Market Value \$(Dollars)	Ending Weight	Q3 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Domestic Equity</b> <i>Russell:3000 Index</i>	\$4,812,505,908	40.18%	5.23%	5.23%	29.88%	7.12%	13.34%	11.58%
			6.23%	6.23%	35.19%	10.29%	15.26%	12.83%
<b>International Equity</b> <i>Int'l Equity Benchmark</i>	\$2,829,549,226	23.63%	8.03%	8.03%	25.73%	4.06%	9.02%	6.69%
			8.18%	8.18%	25.06%	3.74%	6.81%	5.03%
<b>Private Markets</b>	\$391,165,794	3.27%	0.96%	0.96%	23.02%	7.97%	7.60%	6.65%
<b>Private Equity</b> <i>PE Benchmark</i>	\$143,003,729	1.19%	(1.57%)	(1.57%)	--	--	--	--
			3.89%	3.89%	26.21%	--	--	--
<b>Hedge Funds</b> <i>HFRI FOF Index</i>	\$248,162,065	2.07%	2.48%	2.48%	12.11%	7.32%	6.79%	6.46%
			1.42%	1.42%	9.14%	6.86%	5.95%	5.46%
<b>Fixed Income</b> <i>Blmbg:Aggregate</i>	\$2,096,028,980	17.50%	5.52%	5.52%	14.35%	(0.24%)	1.60%	2.90%
			5.20%	5.20%	11.57%	(1.39%)	0.33%	1.84%
<b>Real Assets</b> <i>Real Assets Benchmark</i>	\$1,591,169,467	13.29%	0.64%	0.64%	(4.34%)	2.50%	4.76%	5.07%
			0.78%	0.78%	(3.47%)	4.15%	5.43%	5.48%
<b>REITS</b> <i>S&amp;P DJ US Select REIT</i>	\$14,377,937	0.12%	15.56%	15.56%	33.70%	4.20%	4.14%	--
			15.56%	15.56%	33.71%	4.36%	4.41%	7.03%
<b>Core/Core Plus RE</b> <i>NFI-ODCE Eq Wt Net</i>	\$1,075,163,012	8.98%	(0.48%)	(0.48%)	(7.41%)	0.67%	2.62%	5.68%
			(0.07%)	(0.07%)	(8.44%)	(1.06%)	2.33%	5.46%
<b>Non-Core Real Estate</b> <i>NCREIF Total Index</i>	\$302,356,136	2.52%	4.72%	4.72%	0.62%	7.50%	9.85%	11.76%
			0.78%	0.78%	(3.47%)	0.87%	3.26%	5.88%
<b>Farmland</b> <i>NCREIF Farmland Index</i>	\$99,203,023	0.83%	(1.21%)	(1.21%)	0.62%	--	--	--
			(0.24%)	(0.24%)	2.57%	6.15%	5.56%	6.72%
<b>Timber</b> <i>NCREIF Timberland Index</i>	\$100,069,359	0.84%	0.18%	0.18%	5.81%	14.22%	8.32%	3.68%
			1.53%	1.53%	10.02%	10.86%	7.47%	5.90%
<b>Cash</b>	\$256,383,461	2.14%	1.59%	1.59%	5.49%	3.57%	2.37%	1.66%
<b>Total Fund</b> <i>Total Fund Benchmark</i>	\$11,976,802,837	100.00%	5.13%	5.13%	20.18%	4.22%	8.64%	7.68%
			5.53%	5.53%	21.02%	5.59%	9.00%	7.78%

Benchmark definitions included in the Appendix.

# Investment Manager Returns and Peer Group Rankings

September 30, 2024

	Q3 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Domestic Equity</b>	<b>5.23%</b>	<b>5.23%</b>	<b>29.88%</b>	<b>7.12%</b>	<b>13.34%</b>	<b>11.58%</b>
Russell 3000 Index	6.23%	6.23%	35.19%	10.29%	15.26%	12.83%
Lazard Asset Mgmt.	10.45% (4)	10.45% (4)	26.24% (81)	5.50% (86)	9.64% (96)	10.20% (76)
Russell 3000 Index	6.23% (59)	6.23% (59)	35.19% (29)	10.29% (48)	15.26% (39)	12.83% (34)
Callan All Cap Broad	7.12%	7.12%	31.89%	10.18%	14.30%	11.70%
CastleArk	(0.28%) (99)	(0.28%) (99)	39.24% (23)	11.14% (32)	18.96% (12)	15.29% (7)
Russell 3000 Growth Idx	3.42% (87)	3.42% (87)	41.47% (18)	11.31% (31)	19.09% (11)	16.04% (3)
Callan All Cap Broad	7.12%	7.12%	31.89%	10.18%	14.30%	11.70%
Mellon S&P 500 Index Fd	5.88% (28)	5.88% (28)	36.33% (54)	11.91% (55)	15.65% (54)	13.22% (50)
S&P 500 Index	5.89% (28)	5.89% (28)	36.35% (54)	11.91% (55)	15.98% (51)	13.38% (47)
Callan Large Cap Core	5.09%	5.09%	36.59%	12.16%	16.01%	13.20%
Horrell Capital - Passive	5.84% (67)	5.84% (67)	24.39% (84)	10.54% (45)	12.94% (62)	11.06% (64)
Blmbg Arkansas Index	(1.13%) (100)	(1.13%) (100)	5.55% (99)	10.98% (40)	15.73% (36)	10.16% (77)
S&P 500 Index	5.89% (66)	5.89% (66)	36.35% (26)	11.91% (28)	15.98% (32)	13.38% (28)
Callan All Cap Broad	7.12%	7.12%	31.89%	10.18%	14.30%	11.70%
Mellon Large Cap Growth	3.19% (42)	3.19% (42)	42.24% (43)	--	--	--
Russell 1000 Growth Idx	3.19% (42)	3.19% (42)	42.19% (43)	12.02% (17)	19.74% (9)	16.52% (14)
Callan Large Cap Growth	2.90%	2.90%	40.79%	9.35%	17.29%	15.37%
Wellington Management	7.79% (50)	7.79% (50)	28.32% (49)	10.59% (51)	11.84% (63)	9.89% (58)
Russell 1000 Value Idx	9.43% (16)	9.43% (16)	27.76% (54)	9.03% (74)	10.69% (86)	9.23% (84)
Callan Large Cap Value	7.79%	7.79%	28.20%	10.61%	12.41%	10.08%
William Blair LCG	1.38% (86)	1.38% (86)	--	--	--	--
Russell 1000 Growth Idx	3.19% (42)	3.19% (42)	42.19% (43)	12.02% (17)	19.74% (9)	16.52% (14)
Callan Large Cap Growth	2.90%	2.90%	40.79%	9.35%	17.29%	15.37%
Stephens Mid Cap Growth	4.46% (65)	4.46% (65)	--	--	--	--
Russell Mid Cap Growth Index	6.54% (31)	6.54% (31)	29.33% (16)	2.32% (18)	11.48% (38)	11.30% (38)
Callan Mid Cap Growth	5.62%	5.62%	24.35%	0.06%	10.60%	10.91%
LSV Asset Management	7.87% (69)	7.87% (69)	23.36% (71)	9.74% (17)	12.58% (30)	--
Russell 2000 Value Idx	10.15% (24)	10.15% (24)	25.88% (41)	3.77% (89)	9.29% (79)	8.22% (94)
Callan Small Cap Value	8.37%	8.37%	24.70%	7.04%	11.07%	9.53%
Stephens Investment Mgmt.	6.46% (67)	6.46% (67)	28.99% (36)	1.06% (40)	11.16% (50)	10.88% (64)
Russell 2000 Growth Index	8.41% (28)	8.41% (28)	27.66% (50)	(0.35%) (53)	8.82% (81)	8.95% (98)
Callan Small Cap Growth	7.04%	7.04%	27.85%	0.20%	11.16%	11.32%
Froley Revy Investment	5.20% (57)	5.20% (57)	18.08% (16)	(1.59%) (92)	9.78% (33)	8.47% (29)
ML All Conv. Index	5.27% (55)	5.27% (55)	14.68% (57)	(0.47%) (84)	10.49% (19)	8.89% (21)
Callan Convert Bonds DB	5.44%	5.44%	15.46%	0.67%	8.40%	7.41%

Peer group ranking in parentheses. Benchmark definitions included in the Appendix.

# Investment Manager Returns and Peer Group Rankings

September 30, 2024

	Q3 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>International Equity</b>	<b>8.03%</b>	<b>8.03%</b>	<b>25.73%</b>	<b>4.06%</b>	<b>9.02%</b>	<b>6.69%</b>
Intl Equity Benchmark*	8.18%	8.18%	25.06%	3.74%	6.81%	5.03%
Artisan Partners	8.08% (37)	8.08% (37)	27.50% (23)	12.51% (1)	13.89% (1)	9.70% (2)
MSCI EAFE Index	7.26% (51)	7.26% (51)	24.77% (62)	5.48% (42)	8.20% (71)	5.71% (81)
Callan NonUS Eq	7.32%	7.32%	25.64%	4.95%	8.93%	6.60%
Mellon ACWI ex US Fund	8.02% (38)	8.02% (38)	25.47% (54)	4.37% (60)	7.87% (76)	--
MSCI ACWI xUS Index	8.17% (36)	8.17% (36)	25.96% (47)	4.67% (55)	8.10% (72)	5.72% (80)
Callan NonUS Eq	7.32%	7.32%	25.64%	4.95%	8.93%	6.60%
Baillie Gifford Overseas	9.31 (20)	9.31 (20)	26.09 (44)	(4.63) (98)	6.11 (96)	6.10 (66)
MSCI ACWI xUS Index	8.17 (36)	8.17 (36)	25.96 (47)	4.67 (55)	8.10 (72)	5.72 (80)
Callan NonUS Eq	7.32%	7.32%	25.64%	4.95%	8.93%	6.60%
Lazard Asset Mgmt.	6.93% (57)	6.93% (57)	23.71% (77)	4.18% (61)	7.75% (78)	6.33% (59)
MSCI ACWI xUS Index	8.17% (36)	8.17% (36)	25.96% (47)	4.67% (55)	8.10% (72)	5.72% (80)
Callan NonUS Eq	7.32%	7.32%	25.64%	4.95%	8.93%	6.60%
Acadian ACW ex US SmallCap	8.16 (68)	8.16 (68)	29.80 (11)	6.80 (14)	--	--
MSCI ACWI xUS Small	8.90% (58)	8.90% (58)	23.25% (64)	1.39% (46)	8.21% (48)	6.08% (77)
Callan Intl Small Cap	9.02%	9.02%	24.75%	0.19%	8.12%	7.21%
Franklin Templeton Intl SmallCap	8.33% (63)	8.33% (63)	20.48% (74)	(0.09%) (58)	--	--
MSCI ACWI xUS Small	8.90% (58)	8.90% (58)	23.25% (64)	1.39% (46)	8.21% (48)	6.08% (77)
Callan Intl Small Cap	9.02%	9.02%	24.75%	0.19%	8.12%	7.21%

\* Benchmark definitions included in the Appendix.  
Peer Group ranking in parentheses.

# Investment Manager Returns and Peer Group Rankings

September 30, 2024

	Q3 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Fixed Income</b>	<b>5.52%</b>	<b>5.52%</b>	<b>14.35%</b>	<b>(0.24%)</b>	<b>1.60%</b>	<b>2.90%</b>
Blmbg Aggregate Index	5.20%	5.20%	11.57%	(1.39%)	0.33%	1.84%
DoubleLine Capital	5.67% (16)	5.67% (16)	13.57% (28)	(0.10%) (16)	1.20% (66)	--
Mackay Shields	5.64% (20)	5.64% (20)	15.54% (1)	(0.17%) (20)	2.16% (15)	3.10% (22)
PGIM Fixed Inc	5.25% (71)	5.25% (71)	13.88% (20)	(0.43%) (32)	1.41% (57)	3.25% (16)
Blmbg Aggregate Index	5.20% (76)	5.20% (76)	11.57% (95)	(1.39%) (90)	0.33% (98)	1.84% (100)
Callan Core Plus FI	5.38%	5.38%	13.17%	(0.68%)	1.50%	2.78%
<b>Private Markets</b>	<b>0.96%</b>	<b>0.96%</b>	<b>23.02%</b>	<b>7.97%</b>	<b>7.60%</b>	<b>6.65%</b>
<b>Private Equity</b>	<b>(1.57%)</b>	<b>(1.57%)</b>	--	--	--	--
Pvt. Equity Benchmark	3.89%	3.89%	26.21%	--	--	--
HarbourVest Dover XI	(2.79%)	(2.79%)	--	--	--	--
Neuberger Berman Fund of One	1.27%	1.27%	--	--	--	--
Pvt. Equity Benchmark	3.89%	3.89%	26.21%	--	--	--
<b>Hedge Funds</b>	<b>2.48%</b>	<b>2.48%</b>	<b>12.11%</b>	<b>7.32%</b>	<b>6.79%</b>	<b>6.46%</b>
HFRI FOF Diversified Index*	1.42%	1.42%	9.14%	2.05%	6.43%	6.12%
APERS - Blackstone	2.48% (20)	2.48% (20)	12.11% (14)	7.32% (12)	6.79% (32)	6.46% (5)
HFRI FOF Diversified Index**	1.42% (74)	1.42% (74)	9.14% (72)	6.86% (13)	5.95% (64)	5.46% (17)
Callan Core Diversif FoF	1.66%	1.66%	10.34%	4.41%	6.32%	4.13%

\* Benchmark definitions included in the Appendix.

\*\* 3-month Treasury Bill +4% through 6/30/2023; HFRI FOF Diversified Index thereafter.

Peer Group ranking in parentheses.

# Investment Manager Returns and Peer Group Rankings

September 30, 2024

	Q3 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Real Assets</b>	<b>0.64%</b>	<b>0.64%</b>	<b>(4.34%)</b>	<b>2.50%</b>	<b>4.76%</b>	<b>5.07%</b>
NCREIF Total Index*	0.78%	0.78%	(3.47%)	4.15%	5.43%	5.48%
<b>REITS</b>	<b>15.56%</b>	<b>15.56%</b>	<b>33.70%</b>	<b>4.20%</b>	<b>4.14%</b>	<b>--</b>
S&P DJ U.S. Select REIT	15.56%	15.56%	33.71%	4.36%	4.41%	7.03%
MCM EB DV Non-SL REIT Fd	15.56% (65)	15.56% (65)	33.70% (51)	4.20% (63)	4.14% (92)	--
S&P DJ U.S. Select REIT	15.56% (65)	15.56% (65)	33.71% (50)	4.36% (48)	4.41% (87)	7.03% (84)
Callan Real Estate REIT	15.87%	15.87%	33.71%	4.34%	6.37%	8.38%
<b>Core Real Estate</b>	<b>(0.48%)</b>	<b>(0.48%)</b>	<b>(7.41%)</b>	<b>0.67%</b>	<b>2.62%</b>	<b>5.68%</b>
NCREIF NFI-ODCE Eq Wt Net	(0.07%)	(0.07%)	(8.44%)	(1.06%)	2.33%	5.46%
Carlyle Property Investors	0.00% (73)	0.00% (73)	--	--	--	--
Clarion Lion Industrial Trust	0.00% (73)	0.00% (73)	(3.98%) (29)	--	--	--
Invesco Real Estate	(0.94%) (95)	(0.94%) (95)	(9.93%) (83)	(1.83%) (72)	1.73% (75)	5.72% (52)
Heitman Real Estate Trust LP	0.40% (45)	0.40% (45)	(5.03%) (37)	4.23% (10)	3.69% (42)	--
NCREIF NFI-ODCE Eq Wt Net	(0.07%) (81)	(0.07%) (81)	(8.44%) (69)	(1.06%) (67)	2.33% (60)	5.46% (61)
Callan OE Core Cmngld RE	0.34%	0.34%	(6.32%)	0.20%	2.96%	5.75%
<b>Value Add Real Estate</b>	<b>4.72%</b>	<b>4.72%</b>	<b>0.62%</b>	<b>7.50%</b>	<b>9.85%</b>	<b>11.76%</b>
NCREIF Total Index	0.78%	0.78%	(3.47%)	0.87%	3.26%	5.88%
Harrison Street Fund VIII	(0.24%)	(0.24%)	(0.30%)	7.01%	--	--
Harrison Street Fund IX	0.00%	0.00%	--	--	--	--
Heitman Value Partners IV	4.61%	4.61%	13.75%	14.49%	13.27%	--
LaSalle Inc & Growth VI LP	(27.11%)	(27.11%)	(33.01%)	(24.74%)	(17.03%)	(3.56%)
LaSalle Inc & Growth VII LP	(6.80%)	(6.80%)	(32.57%)	(19.29%)	(10.99%)	--
Starwood SOF XII	2.84%	2.84%	10.11%	--	--	--
TA Realty XII	(0.66%)	(0.66%)	(6.59%)	10.56%	--	--
TA Realty XIII	41.12%	41.12%	--	--	--	--
NCREIF Total Index	0.78%	0.78%	(3.47%)	0.87%	3.26%	5.88%
<b>Farmland</b>	<b>(1.21%)</b>	<b>(1.21%)</b>	<b>0.62%</b>	<b>--</b>	<b>--</b>	<b>--</b>
IFC Core Farmland Fund	1.74%	1.74%	6.71%	--	--	--
PGIM Agriculture	(4.41%)	(4.41%)	(6.17%)	--	--	--
NCREIF Farmland Index	(0.24%)	(0.24%)	2.57%	6.15%	5.56%	6.72%
<b>Timber</b>	<b>0.18%</b>	<b>0.18%</b>	<b>5.81%</b>	<b>14.22%</b>	<b>8.32%</b>	<b>3.68%</b>
Pinnacle	0.18%	0.18%	5.81%	14.22%	8.32%	3.68%
NCREIF Timberland Index	1.53%	1.53%	10.02%	10.86%	7.47%	5.90%
<b>Cash</b>	<b>1.59%</b>	<b>1.59%</b>	<b>5.49%</b>	<b>3.57%</b>	<b>2.37%</b>	<b>1.66%</b>
<b>Total Fund</b>	<b>5.13% (40)</b>	<b>5.13% (40)</b>	<b>20.18% (40)</b>	<b>4.22% (63)</b>	<b>8.64% (45)</b>	<b>7.68% (46)</b>
Total Fund Benchmark	5.53% (22)	5.53% (22)	21.02% (29)	5.59% (23)	9.00% (31)	7.78% (40)
Callan Public Fund Spr DB	4.87%	4.87%	19.40%	4.65%	8.53%	7.54%

\*Benchmark definitions included in the Appendix. Peer Group ranking in parentheses.

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## Organizational Developments

### *3<sup>rd</sup> Quarter 2024*

#### **Baillie Gifford – International Equity**

August 2024 – Baillie Gifford announced that CEO Andrew Telfer will retire on March 31, 2025, after nearly 33 years with the firm. Tim Campbell, who currently chairs the Management and Group Risk Committees, was appointed by the firm’s partnership as Telfer’s successor. He will become CEO effective April 1, 2025.

No action required.

#### **LSV Asset Management – Domestic Equity**

October 2024 – LSV notified Callan of a civil complaint filed against the organization by four former employees and one former employee’s relative, a joint shareholder of LSV stock. Callan will monitor the case and review any further evidence as it becomes available.

No action required.

#### **PGIM Private Alternative – Agriculture**

September 2024 – Eric Adler, CEO of PGIM Private Alternatives, departed the firm on September 27, 2024, to take a senior leadership role at another investment firm. Adler had served in this role since September 2023 and oversaw the integration of PGIM’s Real Estate, Private Capital, and Montana Capital Partners businesses. PGIM CEO David Hunt will temporarily oversee PGIM Private Alternatives while the firm searches for Adler’s replacement.

No action required.

#### **Acadian Asset Management – International Equity**

On October 1, 2024, Acadian announced that CEO Kelly Young would assume the role of President and CEO of BrightSphere Investment Group (BSIG), effective January 1, 2025, as BSIG rebrands to Acadian Asset Management, Inc. BSIG, formerly a holding company for multiple investment firms, is now solely focused on Acadian after divesting its other assets. Young, who became Acadian CEO in December 2023, will join the BrightSphere Board, replacing Suren Rana as CEO.

No action required.



# Work Plan Update

## Annual Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Performance Measurement Reports	Quarterly	12/2024	02/2025
Quarterly Board Meetings	Quarterly	12/2024	02/2025
Customized Board Education Sessions	As Needed	05/2023	As Needed
Investment Policy Statement Review	Annual	11/2023	02/2025

## Multi-Year Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Asset/Liability Study	5-7 years	02/2019	2024 – 2026
Asset Allocation Analysis	3 years	12/2023	2026 – 2029
Domestic Equity Structure Review	3-5 years	08/2022	2025 – 2027
Non-U.S. Equity Structure Review	3-5 years	11/2020	2023 – 2025
Fixed Income Structure Review	3-5 years	11/2023	2026 – 2028
Real Assets Structure & Pacing Analysis	1-3 years	05/2021	2022 – 2024
Private Equity Structure & Pacing Analysis	1-3 years	05/2023	2024 – 2026



## Appendix

# Benchmark Definitions

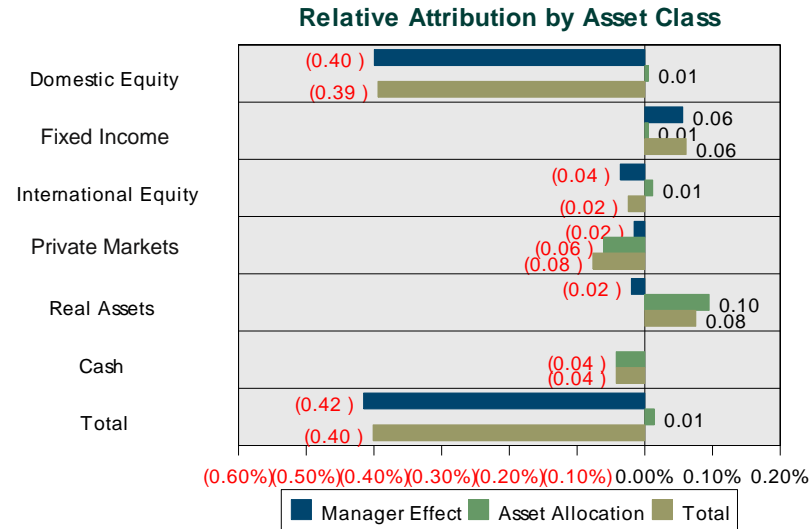
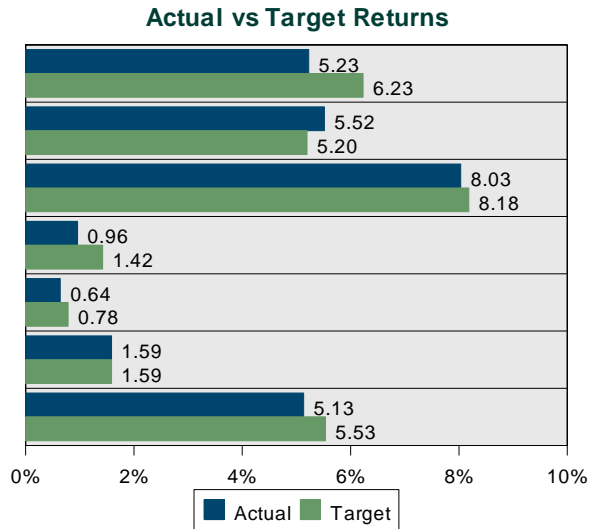
1. **Total Fund Benchmark (Target):** Blend of asset class benchmarks at policy weights. The Long-Term Target was established in February 2023; however, the benchmark will be modified in accordance with the actual implementation. This process reflects the practical implementation of the strategic long-term asset allocation.

	<b>Long-Term Target</b>	<b>3Q 2024 Target</b>
<b>Domestic Equity</b>	<b>39.0%</b>	<b>39.0%</b>
<b>International Equity</b>	<b>17.0</b>	<b>24.0</b>
<b>Fixed Income</b>	<b>21.0</b>	<b>19.0</b>
<b>Real Assets</b>	<b>16.0</b>	<b>16.0</b>
<b>Private Markets</b>	<b>7.0</b>	<b>2.0</b>
- Private Equity	5.0	0.0
- Hedge Funds	2.0	2.0
<b>Total Target</b>	<b>100.0%</b>	<b>100.0%</b>

2. **Domestic Equity Benchmark:** Russell 3000 Index
3. **International Equity Benchmark:** MSCI ACWI xUS IMI Index; Prior to 12/31/2020 MSCI EAFE Index
4. **Fixed Income Benchmark:** Bloomberg Aggregate Index
5. **Real Assets Benchmark:** NCREIF Total Index; Prior to 7/1/2023 CPI All Urban Consumers + 4%
6. **Private Equity Benchmark:** Russell 3000 Index +3%, lagged one quarter.
7. **Hedge Funds Benchmark:** HFRI Diversified Index; Prior to 7/1/2023 60% MSCI World and 40% Bloomberg Aggregate.

# Total Fund Relative Attribution – Q3 2024

September 30, 2024



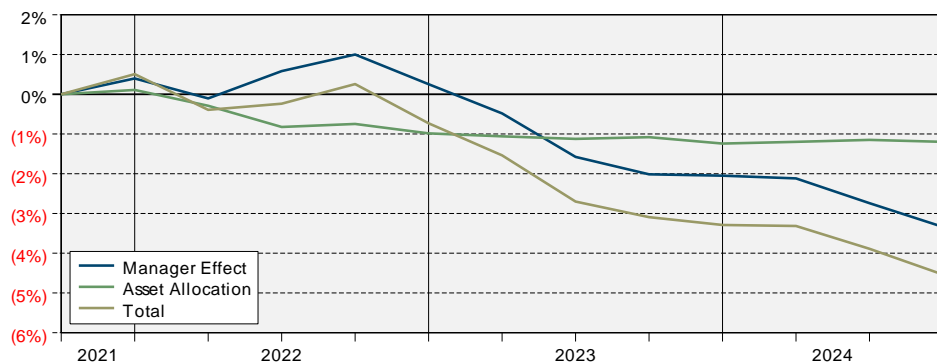
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	40%	39%	5.23%	6.23%	(0.40%)	0.01%	(0.39%)
Fixed Income	17%	19%	5.52%	5.20%	0.06%	0.01%	0.06%
International Equity	24%	24%	8.03%	8.18%	(0.04%)	0.01%	(0.02%)
Private Markets	3%	2%	0.96%	1.42%	(0.02%)	(0.06%)	(0.08%)
Real Assets	14%	16%	0.64%	0.78%	(0.02%)	0.10%	0.08%
Cash	1%	0%	1.59%	1.59%	0.00%	(0.04%)	(0.04%)
<b>Total</b>			<b>5.13%</b>	<b>5.53%</b>	<b>(0.42%)</b>	<b>0.01%</b>	<b>(0.40%)</b>

Benchmark definitions included in the Appendix.

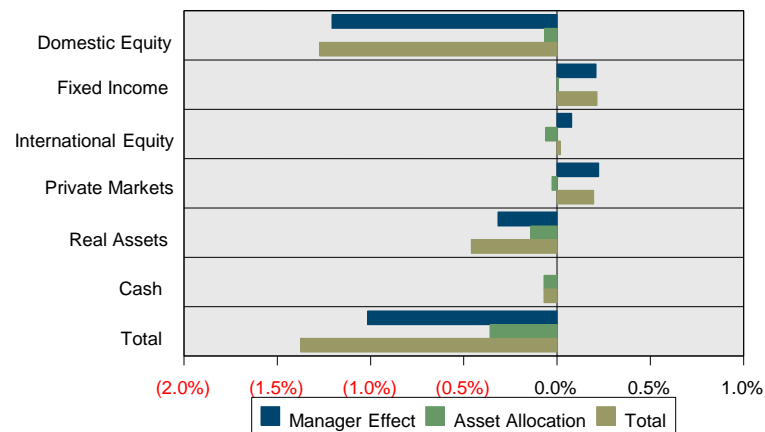
# Total Fund Relative Attribution – 3 Years

September 30, 2024

Cumulative Relative Attribution Effects



3-Year Annualized Relative Attribution Effects



Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	38%	38%	7.12%	10.29%	(1.21%)	(0.07%)	(1.27%)
Fixed Income	18%	18%	(0.24%)	(1.39%)	0.21%	0.01%	0.21%
International Equity	25%	24%	4.06%	3.74%	0.08%	(0.06%)	0.02%
Private Markets	4%	4%	7.97%	2.06%	0.22%	(0.03%)	0.20%
Real Assets	14%	16%	2.50%	4.15%	(0.32%)	(0.14%)	(0.46%)
Cash	1%	0%	3.57%	3.57%	0.00%	(0.07%)	(0.07%)
<b>Total</b>			<b>4.22%</b>	<b>5.59%</b>	<b>(1.01%)</b>	<b>(0.36%)</b>	<b>(1.37%)</b>

Benchmark definitions included in the Appendix.

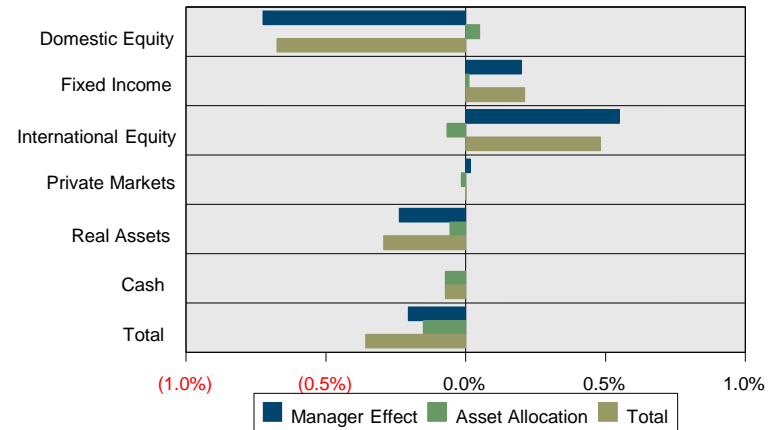
# Total Fund Relative Attribution – 5 Years

September 30, 2024

Cumulative Relative Attribution Effects



5-Year Annualized Relative Attribution Effects



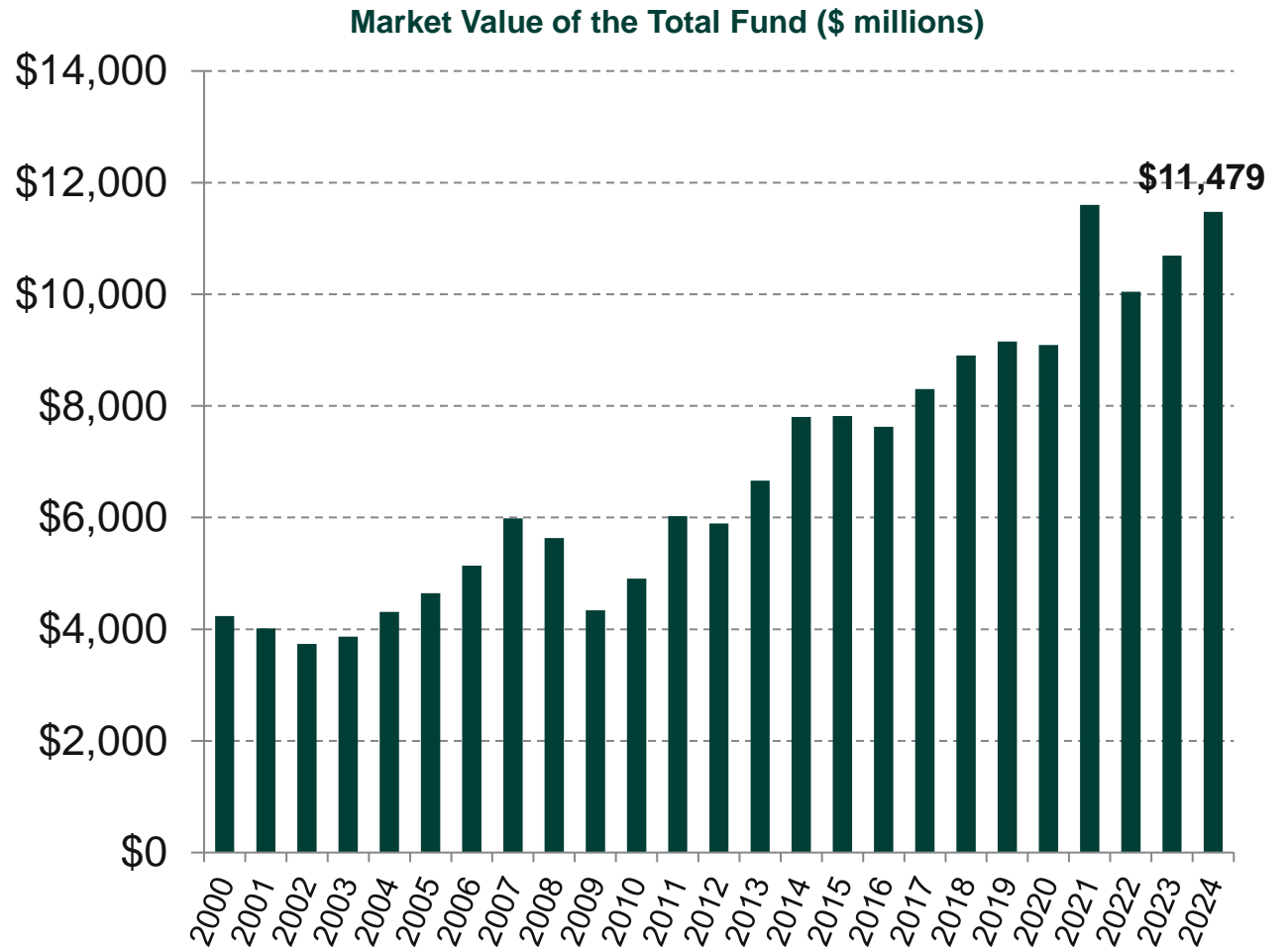
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	37%	13.34%	15.26%	(0.72%)	0.05%	(0.68%)
Fixed Income	17%	18%	1.60%	0.33%	0.20%	0.01%	0.21%
International Equity	25%	24%	9.02%	6.81%	0.55%	(0.07%)	0.48%
Private Markets	4%	4%	7.60%	6.43%	0.02%	(0.02%)	0.00%
Real Assets	14%	16%	4.76%	5.42%	(0.24%)	(0.06%)	(0.29%)
Cash	1%	0%	2.37%	2.37%	0.00%	(0.07%)	(0.07%)
<b>Total</b>			<b>8.64%</b>	<b>9.00%</b>	<b>(0.21%)</b>	<b>(0.15%)</b>	<b>(0.36%)</b>

Benchmark definitions included in the Appendix.

# Historical Market Values of the Total Fund

## Fiscal Year-End Market Values

Fiscal Year Ending	Market Value
2000	\$4,236,749,732
2001	\$4,012,745,608
2002	\$3,739,381,695
2003	\$3,869,787,673
2004	\$4,307,589,827
2005	\$4,642,924,118
2006	\$5,136,985,259
2007	\$5,985,111,493
2008	\$5,633,155,289
2009	\$4,341,419,711
2010	\$4,907,734,835
2011	\$6,022,965,592
2012	\$5,896,862,618
2013	\$6,662,631,673
2014	\$7,800,291,923
2015	\$7,820,289,128
2016	\$7,624,665,446
2017	\$8,301,352,120
2018	\$8,904,393,859
2019	\$9,153,121,783
2020	\$9,093,497,703
2021	\$11,602,695,185
2022	\$10,042,629,672
2023	\$10,691,261,784
2024	\$11,479,176,077



# Asset Distribution Across Investment Managers

September 30, 2024

	September 30, 2024			June 30, 2024		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>Domestic Equity</b>	<b>\$4,812,505,908</b>	<b>40.18%</b>	<b>\$36,556,147</b>	<b>\$234,679,447</b>	<b>\$4,541,270,314</b>	<b>39.56%</b>
Lazard Asset Mgmt.	268,849,248	2.24%	(290,384,472)	46,545,657	512,688,063	4.47%
CastleArk Mgmt. LLC	730,073,632	6.10%	59,472,162	(253,302)	670,854,772	5.84%
Mellon S&P 500 Index Fd	707,383,785	5.91%	(100,021,886)	40,509,763	766,895,908	6.68%
Horrell Capital - Passive	221,214,949	1.85%	(25,093,540)	13,312,330	232,996,159	2.03%
Mellon Large Cap Value	304,860,824	2.55%	300,000,000	4,860,824	-	-
Mellon Large Cap Growth	286,708,975	2.39%	234,997,844	8,351,139	43,359,992	0.38%
Wellington Management	486,933,908	4.07%	(50,374,673)	37,927,829	499,380,752	4.35%
William Blair LCG	489,975,749	4.09%	(330,423)	6,666,623	483,639,549	4.21%
Stephens Mid Cap Growth	429,050,462	3.58%	74,351,660	18,113,647	336,585,156	2.93%
LSV Asset Management	296,937,263	2.48%	(110,538,883)	26,468,916	381,007,229	3.32%
Stephens Investment Mgmt.	180,785,022	1.51%	(30,108,131)	11,788,103	199,105,050	1.73%
Froley Revy Investment	409,732,091	3.42%	(25,413,510)	20,387,917	414,757,684	3.61%
<b>International Equity</b>	<b>\$2,829,549,226</b>	<b>23.63%</b>	<b>\$(222,525,653)</b>	<b>\$224,228,799</b>	<b>\$2,827,846,080</b>	<b>24.63%</b>
Artisan Partners	785,702,522	6.56%	(953,694)	58,742,624	727,913,592	6.34%
Mellon ACWI ex US Fund	623,268,707	5.20%	(60,071,882)	53,000,963	630,339,627	5.49%
Baillie Gifford Overseas	391,402,736	3.27%	(160,504,230)	41,119,629	510,787,337	4.45%
Lazard Asset Mgmt.	618,689,924	5.17%	(421,717)	40,123,399	578,988,242	5.04%
Acadian ACW ex US SmallCap	232,579,367	1.94%	(306,203)	17,555,394	215,330,175	1.88%
Franklin Templeton Intl SmallCap	177,905,971	1.49%	(267,928)	13,686,791	164,487,107	1.43%
<b>Fixed Income</b>	<b>\$2,096,028,980</b>	<b>17.50%</b>	<b>\$(967,112)</b>	<b>\$109,613,018</b>	<b>\$1,987,383,073</b>	<b>17.31%</b>
DoubleLine Capital	659,913,111	5.51%	(293,850)	35,422,106	624,784,855	5.44%
Mackay Shields	717,913,535	5.99%	(337,764)	38,353,431	679,897,868	5.92%
PGIM	718,202,334	6.00%	(335,497)	35,837,481	682,700,350	5.95%
<b>Private Markets</b>						
<b>Private Equity</b>	<b>\$143,003,729</b>	<b>1.19%</b>	<b>\$(355,899)</b>	<b>\$(2,281,066)</b>	<b>\$145,640,694</b>	<b>1.27%</b>
HarbourVest Dover XI	98,674,522	0.82%	(6,855,899)	(2,835,906)	108,366,327	0.94%
Neuberger Berman Fund of One	44,329,207	0.37%	6,500,000	554,840	37,274,367	0.32%
<b>Hedge Funds</b>	<b>\$248,162,065</b>	<b>2.07%</b>	<b>\$(622,167)</b>	<b>\$6,025,117</b>	<b>\$242,759,116</b>	<b>2.11%</b>
Blackstone Alt. Asset Mgmt	248,162,065	2.07%	(622,167)	6,025,117	242,759,116	2.11%



# Asset Distribution Across Investment Managers

September 30, 2024

	September 30, 2024			June 30, 2024		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>Real Assets</b>	<b>\$1,591,169,467</b>	<b>13.29%</b>	<b>\$(35,333,728)</b>	<b>\$7,907,572</b>	<b>\$1,618,595,624</b>	<b>14.10%</b>
<b>REITS</b>	<b>\$14,377,937</b>	<b>0.12%</b>	<b>\$(1,547)</b>	<b>\$1,935,667</b>	<b>\$12,443,817</b>	<b>0.11%</b>
MCM EB DV Non-SL REIT Fd	14,377,937	0.12%	(1,547)	1,935,667	12,443,817	0.11%
<b>Core/Core-Plus Real Estate</b>	<b>\$1,075,163,012</b>	<b>8.98%</b>	<b>\$(4,650,490)</b>	<b>\$(5,221,723)</b>	<b>\$1,085,035,225</b>	<b>9.45%</b>
Carlyle Property Investors	81,486,019	0.68%	0	0	81,486,019	0.71%
Clarion Lion Industrial Trust	78,011,272	0.65%	0	0	78,011,272	0.68%
Invesco Real Estate	510,834,537	4.27%	(545,180)	(4,870,303)	516,250,020	4.50%
Heitman Real Estate Tr LP	321,526,756	2.68%	(3,252,464)	1,300,036	323,479,184	2.82%
Principal Enh. Property Fd	83,304,428	0.70%	(852,846)	(1,651,456)	85,808,730	0.75%
<b>Non-Core Real Estate</b>	<b>\$302,356,136</b>	<b>2.52%</b>	<b>\$(28,854,399)</b>	<b>\$12,222,515</b>	<b>\$318,988,019</b>	<b>2.78%</b>
Harrison Street Fund VIII	48,511,181	0.41%	(153,771)	(115,077)	48,780,029	0.42%
Harrison Street Fund IX	30,622,864	0.26%	(866,910)	0	31,489,774	0.27%
Heitman Value Partners IV	43,236,388	0.36%	(5,071,081)	2,085,572	46,221,898	0.40%
LaSalle Inc & Growth VI LP	3,353,895	0.03%	0	(1,247,261)	4,601,156	0.04%
LaSalle Inc & Growth VII LP	14,229,715	0.12%	(62,893)	(1,039,027)	15,331,636	0.13%
Starwood SOF XII	42,277,941	0.35%	(233,492)	1,169,481	41,341,952	0.36%
TA Realty XI	152,444	0.00%	(189,060)	(22,475)	363,979	0.00%
TA Realty XII	79,005,538	0.66%	(14,945,338)	(545,469)	94,496,345	0.82%
TA Realty XIII	40,966,170	0.34%	(7,331,853)	11,936,772	36,361,251	0.32%
<b>Farmland</b>	<b>\$99,203,023</b>	<b>0.83%</b>	<b>\$(600,347)</b>	<b>\$(1,213,164)</b>	<b>\$101,016,534</b>	<b>0.88%</b>
IFC Core Farmland Fund	53,160,003	0.44%	(469,983)	910,969	52,719,017	0.46%
PGIM Agriculture	46,043,020	0.38%	(130,364)	(2,124,133)	48,297,517	0.42%
<b>Timber</b>	<b>\$100,069,359</b>	<b>0.84%</b>	<b>\$(1,226,946)</b>	<b>\$184,277</b>	<b>\$101,112,028</b>	<b>0.88%</b>
Pinnacle	100,069,359	0.84%	(1,226,946)	184,277	101,112,028	0.88%
<b>Cash</b>	<b>\$256,383,461</b>	<b>2.14%</b>	<b>\$138,964,377</b>	<b>\$1,737,908</b>	<b>\$115,681,176</b>	<b>1.01%</b>
<b>Composite Fund</b>	<b>\$11,976,802,837</b>	<b>100.00%</b>	<b>\$(84,284,034)</b>	<b>\$581,910,794</b>	<b>\$11,479,176,077</b>	<b>100.00%</b>

# Investment Manager Returns – Net of Fees

September 30, 2024

	Q3 2024	Last Year	Last 3 Years	Last 5 Years			
<b>NET OF FEE RETURNS</b>							
<b>Domestic Equity</b>	<b>5.15%</b>	<b>29.47%</b>	<b>6.78%</b>	<b>12.97%</b>			
Russell 3000 Index	6.23%	35.19%	10.29%	15.26%			
Pub Pln- Dom Equity	6.59%	33.63%	9.74%	14.46%			
Lazard Asset Mgmt.	10.37%	25.85%	5.18%	9.31%			
Russell 3000 Index	6.23%	35.19%	10.29%	15.26%			
Callan All Cap Broad	7.12%	31.89%	10.18%	14.30%			
CastleArk	(0.36%)	38.67%	10.75%	18.56%			
Russell 3000 Growth Index	3.42%	41.47%	11.31%	19.09%			
Callan All Cap Broad	7.12%	31.89%	10.18%	14.30%			
Mellon S&P 500 Index Fd	5.88%	36.31%	11.90%	15.63%			
S&P 500 Index	5.89%	36.35%	11.91%	15.98%			
Callan Large Cap Core	5.09%	36.59%	12.16%	16.01%			
Horrell Capital - Passive	5.80%	24.19%	10.36%	12.76%			
Bloomberg Arkansas Index	(1.13%)	5.55%	10.98%	15.73%			
S&P 500 Index	5.89%	36.35%	11.91%	15.98%			
Callan All Cap Broad	7.12%	31.89%	10.18%	14.30%			
Mellon Large Cap Growth	3.18%	42.16%	-	-			
Russell 1000 Growth Index	3.19%	42.19%	12.02%	19.74%			
Callan Large Cap Growth	2.90%	40.79%	9.35%	17.29%			
Wellington Management	7.71%	27.93%	10.26%	11.51%			
Russell 1000 Value Index	9.43%	27.76%	9.03%	10.69%			
Callan Large Cap Value	7.79%	28.20%	10.61%	12.41%			
William Blair LCG	1.31%	-	-	-			
Russell 1000 Growth Index	3.19%	42.19%	12.02%	19.74%			
Callan Large Cap Growth	2.90%	40.79%	9.35%	17.29%			
Stephens Mid Cap Growth	4.36%	-	-	-			
Russell MidCap Growth Idx	6.54%	29.33%	2.32%	11.48%			
Callan Mid Cap Growth	5.62%	24.35%	0.06%	10.60%			
LSV Asset Management	7.72%	22.64%	9.12%	11.94%			
Russell 2000 Value Index	10.15%	25.88%	3.77%	9.29%			
Callan Small Cap Value	8.37%	24.70%	7.04%	11.07%			
Stephens Investment Mgmt.	6.24%	27.95%	0.36%	10.42%			
Russell 2000 Growth Index	8.41%	27.66%	(0.35%)	8.82%			
Callan Small Cap Growth	7.04%	27.85%	0.20%	11.16%			
Froley Revy Investment	5.09%	66	17.60%	19	(1.98%)	95	9.35%
ML All Conv	5.27%	55	14.68%	57	(0.47%)	84	10.49%
Callan Convert Bonds DB	5.44%		15.46%		0.67%		8.40%

Benchmark definitions included in the Appendix.

# Investment Manager Returns – Net of Fees

September 30, 2024

	Q3 2024	Last Year	Last 3 Years	Last 5 Years
<b>NET OF FEE RETURNS</b>				
<b>International Equity</b>	<b>7.94%</b>	<b>25.27%</b>	<b>3.68%</b>	<b>8.66%</b>
Benchmark*	8.18%	25.06%	3.74%	6.81%
Pub Pln- Intl Equity	7.62%	25.11%	4.14%	8.42%
Artisan Partners	7.94%	26.82%	11.92%	13.29%
MSCI EAFE	7.26%	24.77%	5.48%	8.20%
Callan NonUS Eq	7.32%	25.64%	4.95%	8.93%
Mellon ACWI ex US Fund	8.00%	25.41%	4.31%	7.81%
MSCI ACWI ex US	8.06%	25.35%	4.14%	7.59%
Callan NonUS Eq	7.32%	25.64%	4.95%	8.93%
Baillie Gifford Overseas	9.20%	25.57%	(5.01%)	5.70%
MSCI ACWixUS Gross	8.17%	25.96%	4.67%	8.10%
Callan NonUS Eq	7.32%	25.64%	4.95%	8.93%
Lazard Asset Mgmt.	6.86%	23.33%	3.86%	7.41%
MSCI ACWixUS Gross	8.17%	25.96%	4.67%	8.10%
Callan NonUS Eq	7.32%	25.64%	4.95%	8.93%
Acadian ACW ex US SmallCap	8.01%	29.02%	6.14%	-
MSCI ACWI ex US Small Cap	8.90%	23.25%	1.39%	8.21%
Callan Intl Small Cap	9.02%	24.75%	0.19%	8.12%
Franklin Templeton Intl SmallCap	8.16%	19.68%	(0.76%)	-
MSCI ACWI ex US Small Cap	8.90%	23.25%	1.39%	8.21%
Callan Intl Small Cap	9.02%	24.75%	0.19%	8.12%

Benchmark definitions included in the Appendix.

# Investment Manager Returns – Net of Fees

September 30, 2024

	Q3 2024	Last Year	Last 3 Years	Last 5 Years
<b>NET OF FEE RETURNS</b>				
<b>Fixed Income</b>	<b>5.47%</b>	<b>14.12%</b>	<b>(0.43%)</b>	<b>1.41%</b>
Blmbg Aggregate Index	5.20%	11.57%	(1.39%)	0.33%
Pub Pln- Dom Fixed	4.84%	12.04%	(0.32%)	1.49%
DoubleLine Capital	5.62%	13.35%	(0.28%)	1.02%
MacKay Shields	5.59%	15.31%	(0.37%)	1.96%
PGIM	5.20%	13.65%	(0.63%)	1.21%
Blmbg Aggregate Index	5.20%	11.57%	(1.39%)	0.33%
Callan Core Plus FI	5.38%	13.17%	(0.68%)	1.50%
<b>Private Markets</b>	-----	-----	-----	-----
<b>Private Equity</b>	<b>(2.04%)</b>	-	-	-
Benchmark**	3.89%	26.21%	-	-
HarbourVest Dover XI	(3.46%)	-	-	-
Neuberger Berman Fund of One	1.27%	-	-	-
Benchmark**	3.89%	26.21%	-	-
<b>Hedge Funds of Funds</b>	<b>2.23%</b>	<b>10.98%</b>	<b>6.25%</b>	<b>5.72%</b>
HFRI FOF: Diversified Index***	1.42%	9.14%	2.05%	6.43%
Blackstone Alt. Asset Mgmt.	2.23%	10.98%	6.25%	5.72%
HFRI FOF: Diversified Index****	1.42%	9.14%	6.86%	5.95%
Callan Core Diversif FoF	1.66%	10.34%	4.41%	6.32%

Benchmark definitions included in the Appendix.

# Investment Manager Returns – Net of Fees

September 30, 2024

	Q3 2024	Last Year	Last 3 Years	Last 5 Years
<b>NET OF FEE RETURNS</b>				
<b>Real Assets</b>	<b>0.41%</b>	<b>(5.02%)</b>	<b>1.62%</b>	<b>3.87%</b>
NCREIF Total Index*****	0.78%	(3.47%)	4.15%	5.42%
<b>REITS</b>	<b>15.54%</b>	<b>33.63%</b>	<b>4.14%</b>	<b>4.08%</b>
S&P DJ US Select REIT	15.56%	33.71%	4.36%	4.41%
MCM EB DV Non-SL REIT Fd	15.56%	33.70%	4.20%	4.14%
S&P DJ US Select REIT	15.56%	33.71%	4.36%	4.41%
Callan Real Estate REIT	15.87%	33.71%	4.34%	6.37%
<b>Core/Core-Plus Real Estate</b>	<b>(0.58%)</b>	<b>(7.94%)</b>	<b>0.16%</b>	<b>2.11%</b>
NCREIF NFI-ODCE Eq Wt Net	(0.07%)	(8.44%)	(1.06%)	2.33%
Invesco Real Estate	(1.05%)	(10.30%)	(2.19%)	1.37%
Heitman Real Estate Trust LP	0.23%	(5.70%)	3.50%	2.96%
NFI-ODCE Equal Weight Net	(0.07%)	(8.44%)	(1.06%)	2.33%
Callan OE Core Cmngld RE	0.34%	(6.32%)	0.20%	2.96%
<b>Non-Core Real Estate</b>	<b>4.12%</b>	<b>0.03%</b>	<b>5.47%</b>	<b>7.35%</b>
NCREIF Total Index	0.78%	(3.47%)	0.87%	3.26%
Carlyle Property Investors	0.00%	-	-	-
Clarion Lion Industrial Trust	0.00%	(5.13%)	-	-
Harrison Street Fund VIII	(0.55%)	1.27%	3.60%	-
Heitman Value Partners IV	4.41%	12.89%	13.57%	12.31%
LaSalle Inc & Growth VI LP	(27.11%)	(33.01%)	(24.92%)	(17.43%)
LaSalle Inc & Growth VII LP	(7.19%)	(33.66%)	(20.26%)	(11.99%)
Starwood SOF XII	2.26%	7.52%	-	-
TA Realty XII	(0.64%)	(5.43%)	8.50%	-
TA Realty XIII	37.26%	-	-	-
NCREIF Total Index	0.78%	(3.47%)	0.87%	3.26%
<b>Farmland</b>	<b>(1.80%)</b>	<b>(1.88%)</b>	-	-
IFC Core Farmland Fund	0.84%	2.78%	-	-
PGIM Agriculture	(4.67%)	(7.16%)	-	-
NCREIF Farmland Index	(0.24%)	2.57%	6.15%	5.56%
<b>Timber</b>	<b>(0.04%)</b>	<b>4.87%</b>	<b>13.20%</b>	<b>7.35%</b>
Pinnacle	(0.04%)	4.87%	13.20%	7.35%
NCREIF Timberland Index	1.53%	10.02%	10.86%	7.47%
<b>Cash</b>	<b>1.59%</b>	<b>5.49%</b>	<b>3.57%</b>	<b>2.37%</b>
<b>Total Fund</b>	<b>5.02%</b>	<b>19.67%</b>	<b>3.78%</b>	<b>8.20%</b>
Callan Public Fund Spr DB	4.87%	19.40%	4.65%	8.53%
<b>Total Fund ex Cash</b>	<b>5.07%</b>	<b>19.83%</b>	<b>3.82%</b>	<b>8.24%</b>
Benchmark*	5.53%	21.02%	5.59%	9.00%
Callan Public Fund Spr DB	4.87%	19.40%	4.65%	8.53%

Benchmark definitions included in the Appendix.

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# Arkansas State Police Retirement System

## June 30, 2024 Annual Actuarial Valuation Results

December 5, 2024

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# Overview

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- This presentation provides the results of the June 30, 2024 Arkansas State Police Retirement System (ASPRS) actuarial valuation
- Purpose of the valuation is twofold:
  - Determine the employer contribution rate for the fiscal year beginning July 1, 2024
  - Measure the funding progress in relation to the actuarial cost method (i.e., what portion of the actuarial accrued liabilities are covered by the funding value of assets)
- Board action today:
  - Approve the reserve transfers from the Employer Accumulation Account to the Retirement Reserve Account and the Deferred Annuity Account

# Participant Data – Active Members

June 30	No. #	Group Averages		
		Age	Service	Pay
1995	494	42.2 yrs.	16.0 yrs.	\$36,622
2000	542	41.3	14.0	37,733
2005	488	42.8	16.7	44,539
2007	536	41.4	14.5	44,773
2008	555	41.3	14.1	46,687
2009	539	42.0	15.0	49,714
2010	545	42.0	14.3	52,318
2011	530	42.0	14.4	52,950
2012	534	41.6	13.9	53,236
2013	525	41.6	13.9	53,344
2014	530	41.6	13.9	53,866
2015	558	41.0	13.0	53,637
2016	554	40.9	13.1	53,156
2017	528	41.7	13.8	55,070
2018	528	41.4	12.7	56,048
2019	529	41.0	12.5	57,255
2020	541	40.9	12.5	61,573
2021	545	41.1	12.6	61,624
2022	519	40.8	12.6	63,116
2023	517	40.4	13.8	72,943
2024	561	39.7	12.6	76,493

# Includes DROP Participants.



# Participant Data (Continued)

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- There are 7 active members covered under Tier 1
- There are 520 active members covered under Tier 2
- There are an additional 34 members who participate in the DROP plan (not included in the active counts above)

# Participant Data – Benefit Recipients

June 30	Number			Annual Pensions		
	Retirees & Beneficiaries	DROP Participants	Total	Retirees & Beneficiaries	DROP Participants	Total
2015	622	56	678	\$ 21,868,359	\$ 3,126,156	\$ 24,994,515
2016	634	58	692	22,852,121	3,434,940	26,287,061
2017	650	59	709	23,546,129	3,281,616	26,827,745
2018	668	61	729	24,290,049	3,630,132	27,920,181
2019	679	56	735	25,426,293	3,334,908	28,761,201
2020	687	59	746	26,204,465	3,477,012	29,681,477
2021	688	57	745	26,761,928	3,387,900	30,149,828
2022	716	48	764	27,529,560	2,188,500	29,718,060
2023	740	35	775	28,899,204	1,888,296	30,787,500
2024	755	34	789	30,183,456	2,146,236	32,329,692

# Development of Funding Value of Assets

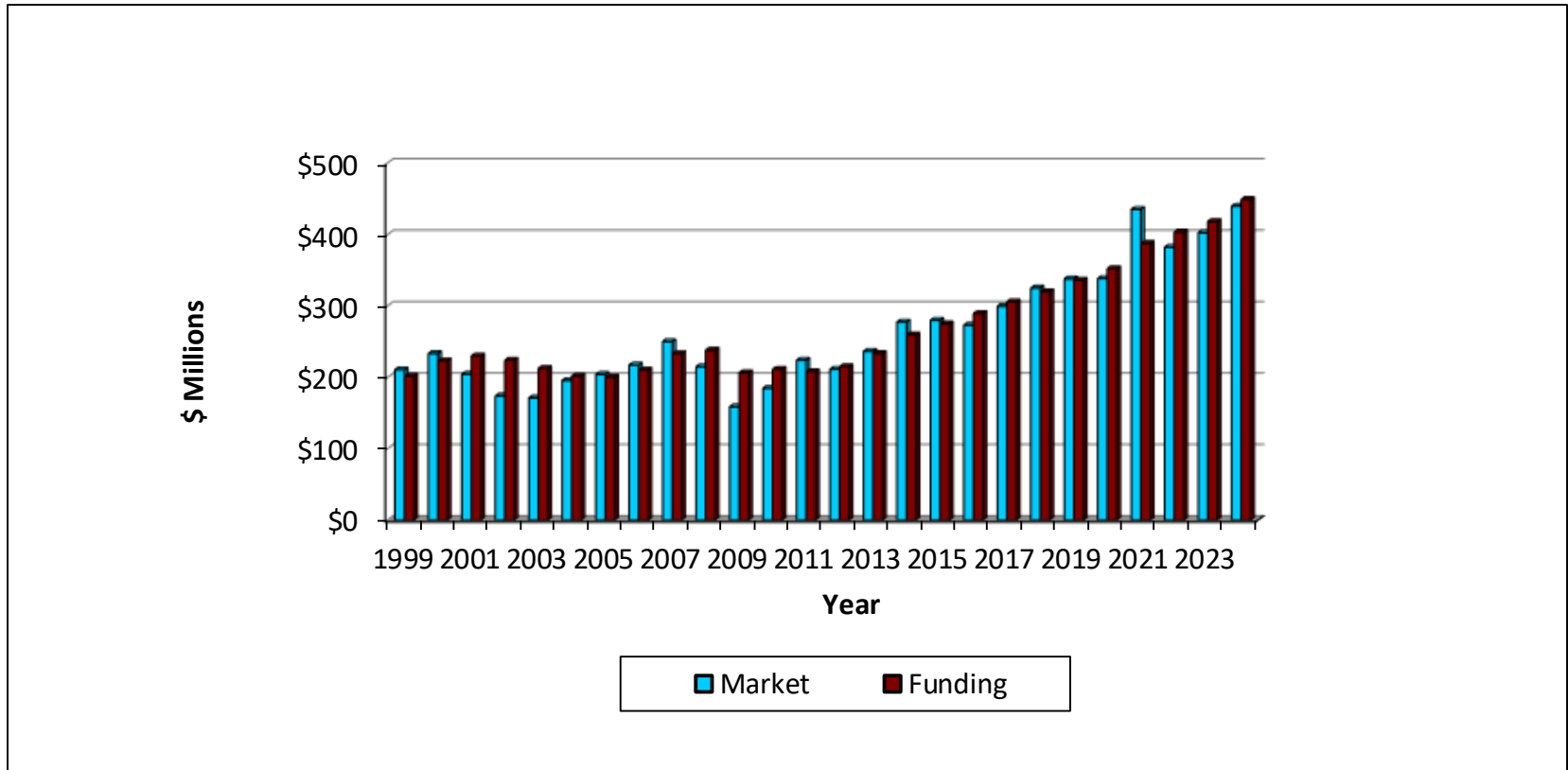
## Valuation Date June 30: 2024

A. Funding Value Beginning of Year	\$418,025,613
B. Market Value End of Year	439,504,672
C. Market Value Beginning of Year	402,335,114
D. Non-Investment Net Cash Flow	(2,052,360)
E. Investment Return:	
E1. Market Total: B-C-D	39,221,918
E2. Assumed Rate	7.00%
E3. Amount for Immediate Recognition	29,190,770
E4. Amount for Phased-In Recognition	10,031,148
F. Phased-In Recognition of Investment Return:	
F1. Current Year: 0.25xE4	2,507,787
F2. First Prior Year	689,165
F3. Second Prior Year	(18,430,043)
F4. Third Prior Year	19,102,090
F5. Total Recognized Investment Gain (Loss)	3,868,999
G. Funding Value End of Year:	
G1. Preliminary Funding Value End of Year: A+D+E3+F5	449,033,022
G2. 130% of Market Value Corridor	571,356,074
G3. 70% of Market Value Corridor	307,653,270
<b>G4. Funding Value End of Year</b>	<b>449,033,022</b>
H. Difference Between Market & Funding Values	(9,528,350)
I. <b>Recognized Rate of Return</b>	<b>7.9%</b>
J. Market Value Rate of Return	9.8%
K. Ratio of Funding Value to Market Value	102.2%

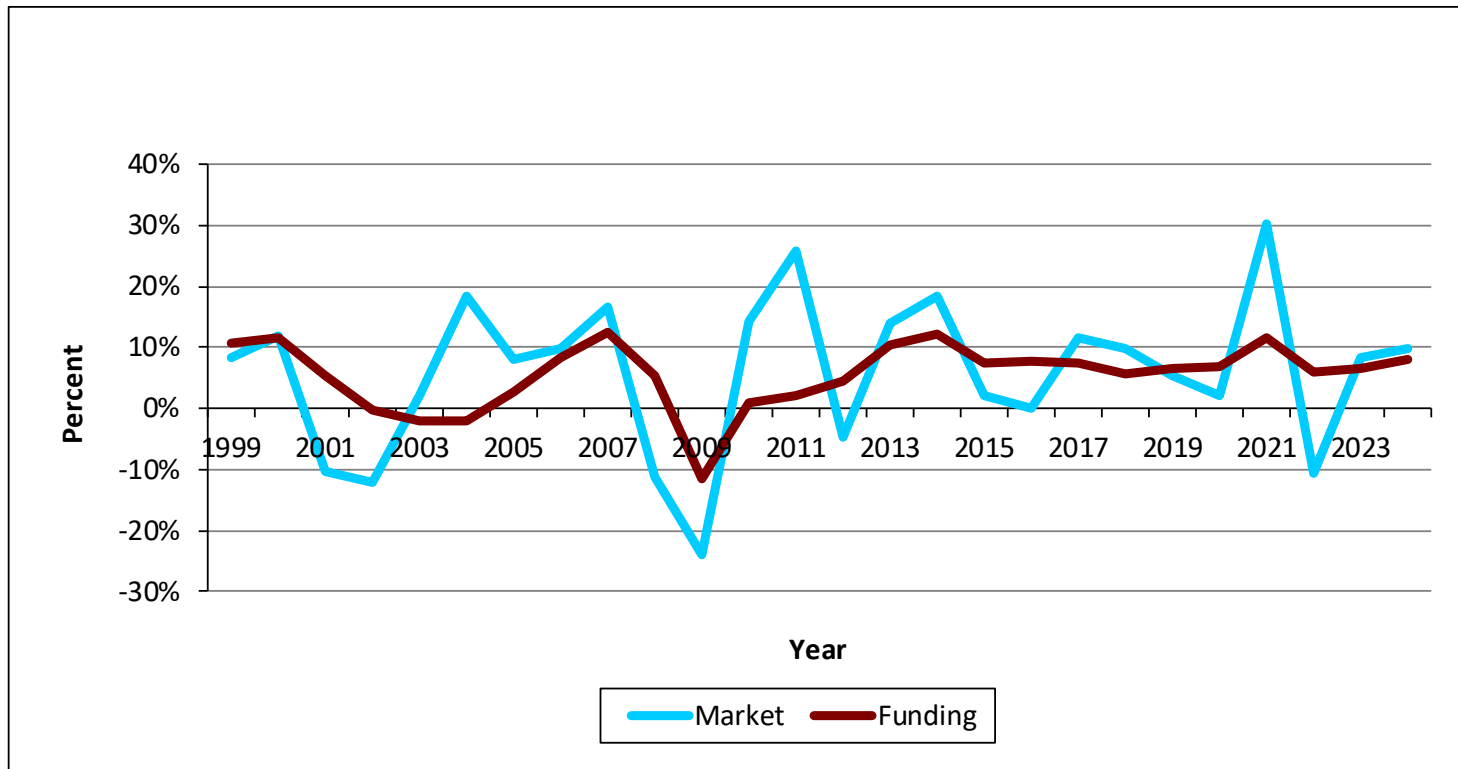
- Funding Value of Assets (FVA) as of June 30, 2023 was \$418.0 M (row A)
- Non-Investment net cash flow (i.e., dollars in less dollars out) for the System during the calendar year was -\$2.1M (row D)
- The System earned \$39.2M (row E1) in investment income during the year versus \$29.2M (row E3) expected
- This additional investment income of \$10.0M (row E4) is then recognized into the FVA over the next 4 years
- 25% of the current year's investment income above expectations and 25% of the prior 3 years' unrecognized investment income (totaling \$3.9M; row F5) are then recognized in the June 30, 2024 FVA
- The sum of the above (rows A+D+E3+F5) equals the Preliminary FVA (row G1). The 30% corridor is then applied, if necessary, resulting in the final June 30, 2024 FVA equal to \$449.0M (row G4)
- As of June 30, 2024, the FVA is 2% higher than the Market Value of Assets (MVA) (row K)



# ASPRS Assets – Market and Funding Values



# ASPRS Rates of Return – Market and Funding Value



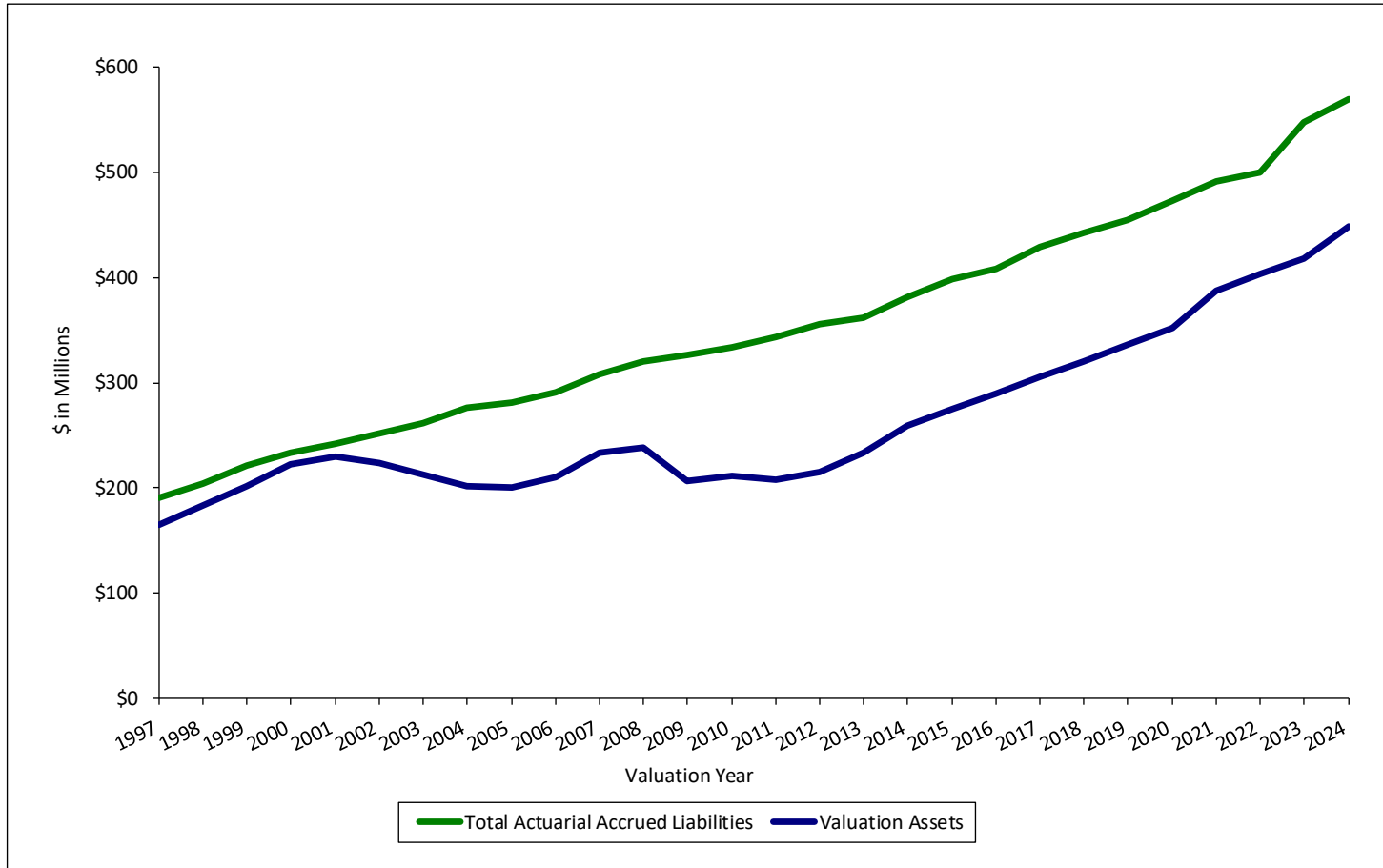
# ASPRS Funded Ratio

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- Actuarial accrued liabilities total \$570 million
- Valuation assets total \$449 million
- Unfunded actuarial accrued liabilities total \$121 million
- The ASPRS funded ratio is 79% based upon the funding value of assets
  - On a market value of assets basis, the funded ratio is 77%
- The ratios were 76% and 74%, respectively, in the previous valuation



# ASPRS Funded Ratio (Concluded)



# Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age AAL (b)	UAAL (b)-(a)	Funded Ratio (a)/(b)	Annual Covered Payroll (c)	UAL as a Percentage of Covered Payroll [(b-a)/(c)]
6/30/2005 #@	\$200.10	\$281.28	\$ 81.18	71.1%	\$22.52	360.5%
6/30/2006	210.34	291.17	80.82	72.2%	23.38	345.7%
6/30/2007 @	233.13	307.66	74.53	75.8%	24.00	310.6%
6/30/2008	238.04	320.10	82.06	74.4%	25.91	316.7%
6/30/2009 #@	206.32	325.94	119.62	63.3%	26.80	446.4%
6/30/2010	211.07	333.60	122.53	63.3%	28.51	429.7%
6/30/2011	208.05	343.21	135.16	60.6%	28.06	481.6%
6/30/2012	215.01	355.30	140.29	60.5%	28.43	493.5%
6/30/2013 @	233.15	361.46	128.31	64.5%	28.01	458.1%
6/30/2014 @	259.46	381.86	122.40	67.9%	28.55	428.7%
6/30/2015 @	274.83	398.96	124.14	68.9%	29.93	414.8%
6/30/2016	289.24	408.74	119.50	70.8%	29.45	405.8%
6/30/2017 @	305.85	429.05	123.21	71.3%	29.08	423.7%
6/30/2018	319.79	442.93	123.14	72.2%	29.59	416.1%
6/30/2019	335.97	454.62	118.65	73.9%	30.29	391.7%
6/30/2020 #	352.08	472.92	120.84	74.4%	33.31	362.8%
6/30/2021 #	387.54	491.51	103.97	78.8%	33.59	309.6%
6/30/2022	403.30	500.27	96.97	80.6%	32.76	296.0%
6/30/2023 @	418.03	547.56	129.53	76.3%	37.71	343.5%
<b>6/30/2024</b>	<b>449.03</b>	<b>569.96</b>	<b>120.92</b>	<b>78.8%</b>	<b>42.91</b>	<b>281.8%</b>

# After legislated changes in benefit provisions.

@ After changes in actuarial assumptions or methods.

Note: in millions.



# Employer Contribution Rate

Contributions for	Contributions Expressed as Percents of Covered Payroll for Fiscal Year Beginning July 1, 2024*		
	Tier 1	Tier 2	Weighted Average
Normal Cost			
Age and Service Annuities	20.61 %	21.73 %	21.66 %
Separation Benefits	2.85 %	3.81 %	3.75 %
Disability Benefits	1.77 %	1.78 %	1.77 %
Death-in-Service Annuities	0.34 %	0.24 %	0.25 %
Administrative Expenses	0.70 %	0.70 %	0.70 %
Total	26.27 %	28.26 %	28.13 %
Unfunded Actuarial Accrued Liabilities@	156.37 %	13.70 %	23.87 %
<b>Total Computed Employer Contribution Rate</b>	<b>182.64 %</b>	<b>41.96 %</b>	<b>52.00 %</b>

\* Covered payroll includes all active members, including DROP participants. Valuation payroll totals \$42,912,787.

@ Unfunded actuarial accrued liability is \$121 million and is amortized over a closed 15-year period.



# Amortization Period

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- The maximum advisable amortization period is 30 years
- For ASPRS, a period under 21 years would result in an immediate pay down of the unfunded actuarial accrued liability in nominal dollars
- The current period is 15 years and pays down the UAAL in absolute dollars as opposed to real dollars only
- The funded position of the System has been improved in recent years as a result of additional appropriations

# Plan Maturity Measures

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	2024	2023
Ratio of the market value of assets to total payroll	10.24	10.67
Ratio of actuarial accrued liability to payroll	13.28	14.52
Ratio of actives to retirees and beneficiaries	0.7	0.7
Ratio of net cash flow to market value of assets	(0.5)%	(2.7)%
Duration of present value of future benefits	14.59	14.27

# Reserve Transfers

- Each year reserve transfers are recommended so that there will be a balance between assets and actuarial accrued liabilities in the Retirement Reserve Account and the Deferred Annuity Account
  - The Retirement Reserve Account is responsible for future annuity payments to present retired lives
  - The Deferred Annuity Account is responsible for future annuity payments to present inactive members
- This year’s recommended transfer amounts are as follows:

	Employer Accum. Account Before Transfers	Transfers as of July 1, 2024 (from) to:		Employer Accum. Account After Transfers
		Deferred Annuity Account	Retirement Reserve Account	
<b>Total</b>	\$ 97,569,471	\$413,543	\$19,000,967	\$ 78,154,961





# THANK YOU

**QUESTIONS**

# Disclaimers

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- This presentation is intended to be used in conjunction with the June 30, 2024 actuarial valuation report dated October 31, 2024. This presentation should not be relied on for any purpose other than the purpose described in the valuation report.
- This presentation should not be relied on for any purpose other than the purpose described in the presentation.
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- This presentation expresses the views of the authors and does not necessarily express the views of Gabriel, Roeder, Smith & Company.





Quarterly Board Meeting

**Statement of Fiduciary Net Position as of (September 30, 2024)**

ASSETS	
Cash and Cash Equivalents	\$ 7,166,405
Receivables	
Contributions Receivable	-
Overpayment Receivable	269,981
Allowance for Doubtful Accounts	<u>(269,981)</u>
Total Receivables	-
Investments at Fair Value	
Investment Assets	448,358,253
Securities Lending Collateral	<u>25,330,373</u>
Total Investments	473,688,626
<b>TOTAL ASSETS</b>	<b><u>480,855,031</u></b>
LIABILITIES	
Securities Lending Liability	25,334,078
Accrued Expense and Other Liabilities	<u>650,453</u>
<b>TOTAL LIABILITIES</b>	<b><u>25,984,531</u></b>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<b><u>\$ 454,870,500</u></b>



Quarterly Board Meeting

**Statement of Changes in Fiduciary Net Position for the Period Ending (September 30, 2024)**

ADDITIONS	
Contributions	
Employer	\$ 3,183,712
Employee	<u>52,146</u>
Total Contributions	3,235,858
Investment Income	
Investment Income	21,939,072
Less: Investment Expense	<u>(520,017)</u>
Net Investment Income	21,419,055
TOTAL ADDITIONS	24,654,913
DEDUCTIONS	
Benefits	9,117,878
Administrative Expense	<u>171,207</u>
TOTAL DEDUCTIONS	9,289,085
NET INCREASE/(DECREASE)	15,365,828
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning of Year	<u>439,504,672</u>
End of 1st Quarter	<u>\$ 454,870,500</u>



## Quarterly Board Meeting

### Legal Report

#### **ADMINISTRATIVE MEMBER APPEALS**

None

#### **APPEAL FROM ADMINISTRATIVE MEMBER APPEAL - LITIGATION**

None

#### **RULES PROMULGATION**

Arkansas' General Assembly began a process several years ago to codify the rules of every state agency so that there would be a uniform rule style among state agencies, posted to a single website. The Bureau of Legislative Research has indicated to APERS that the codified version of ASPRS rules could be posted live on the legislative website by early 2025.

#### **2025 PROPOSED LEGISLATION**

##### **ASPRS Technical Corrections/Cleanup Bill – Summary**

- Amends ASPRS plan for consistency of defined terms, corrects Arkansas Code cites, and corrects the age of a surviving child consistent with Tier 2;
- Corrects COLA administration in Tier 2 to be consistent with Tier 1 and as it is currently administered; and
- Prohibits assignment of benefit rights (also called anti-alienation) in Tier 2 consistent with Tier 1.

##### **ASPRS Drop Participation Bill – Summary**

- Amends ASPRS plan to increase the number of years a state trooper in Tier One or Tier Two can participate in the Arkansas State Police Officers Deferred Option Plan (DROP) to ten (10) years.

##### **Fraud Criminal Statute Bill – Summary**

- Amends language for all APERS-administered retirement plans to increase from a Class A misdemeanor to a Class D felony any attempt to defraud the systems. This includes



## Quarterly Board Meeting

### **Legal Report**

Arkansas State Police Retirement System, Arkansas Judicial Retirement System, and the Arkansas Public Employees' Retirement System; and

- Amends a section of the penal code to designate fraud of a state supported retirement system as a Class D felony consistent with amendments to the plan language regarding same.

### **Tax Refund – Overpayments Bill – Summary**

- Adds Arkansas State Police Retirement System to the list of claimant agencies who could collect a debt owed to the system by offsetting a member's tax refund.



Quarterly Board Meeting  
Benefits Summary

## Membership

- **Tier One:** All state police officers on March 19, 1951, and all persons who become state police officers after that date become members of State Police Retirement System.
- **Tier Two:** All state police officers first hired on or after April 3, 1997, are covered by the tier two benefit plan.

### Members – New This Quarter

	Jul 2024	Aug 2024	Sep 2024
Number	0	0	0
Total Members	561	561	561

*Note: 44 new members in Oct 2024*

### Members - Historical

	1 year	5 years	10 years	20 years
Number	561	529	530	477
Average Pay	\$76,493	\$57,255	\$53,866	\$ 44,700

## Eligibility for Benefits

- **Normal retirement:** Members may voluntarily retire once they attain normal retirement age, which is the youngest of the following ages:
  - Any age with 28 years of credited service
  - Age 65 with at least five (5) years of credited service
  - Age 65 reduced by 0.75 of a month for each month of service, but no younger than age 55.
- **Early retirement:** Members who have not attained normal retirement age may retire with an early annuity. Early retirement can begin under the following conditions:
  - Within 10 years of normal retirement age
  - A reduction of one-half percent (0.5%) multiplied by the number of months the early retirement age is younger than normal retirement age
- **Disability retirement:** Members with at least five (5) years of actual service who become totally and permanently incapacitated for duty with the division due to personal injury or disease can be retired by the board after a medical examination.
- **Survivor retirement:** Survivors of members with at least five (5) years of actual service who die before retirement may receive a survivor annuity. Eligible survivors include a spouse, dependent children, and in some cases, dependent parents.



Quarterly Board Meeting  
Benefits Summary

**Inactive Members – New This Quarter**

	Jul 2024	Aug 2024	Sep 2024
Number	0	1	1
Total Members	121	122	123

**Inactive Members - Historical**

	1 year	5 years	10 years	20 years
Number	121	102	69	41
Total Benefits	\$1.4m	\$946k	\$706k	\$348k

## Benefits

- **Straight life annuity:** Members who retire receive a straight life annuity equal to 2.65% of their final average compensation (FAC) multiplied by the number of years of credited service.
- **Benefit calculation example:** Final Average Compensation X 2.65% X Credited Service  
 $\$76,493 \times 2.65\% \times 21.62 \text{ yrs.} = \$43,825 \text{ annually} / \$3,652 \text{ monthly}$
- **Annuity options:** Before members receive their first payment, they can elect to receive the straight life annuity or elect to have their annuity reduced under one of four options that provide continuing benefits to a designated beneficiary.
- **Cost-of-living adjustments:** Each July 1, the system redetermines the amount of each monthly benefit that has been paid for at least twelve months. The amount of the redetermined benefit – a cost-of-living adjustment (COLA) – is the previous July 1 benefit amount increased by three percent (3%).

**Retirees – New This Quarter**

	Jul 2024	Aug 2024	Sep 2024
Number	9	3	4
Total Retirees	726	725	729

**Retirees - Historical**

	1 year	5 years	10 years	20 years
Number	789	735	666	509
Total Benefits	\$32.3m	\$28.76m	\$24.2m	\$14.4m



## Quarterly Board Meeting

### Executive Report

#### **Strategic Plan**

The Strategic Plan for APERS, AJRS, and ASPRS has been finalized. This collaborative effort involved the entire staff and members of all three boards, commencing in May 2024. The plan delineates our goals and objectives for the next three years. A copy of the plan is available for your review.

#### **Education and Outreach**

The APERS team continues to collaborate with participating employers to provide retirement education through both in-person and virtual engagements. Over the past quarter, the APERS staff offered education and counseling at various events, including participating in the AR Game and Fish Employee Appreciation Day; Arkansas Crime Information Center CJIS Symposium, Juvenile Judges Conference in Heber Springs, and the newly elected District Judges orientation.

Additionally, the APERS communication team has begun utilizing social media as a supplementary method to engage our membership.

In October, we attended the Arkansas State Police Retirees Association's quarterly meeting.

#### **Website Update**

Historically, the APERS, AJRS, and ASPRS websites functioned as a collective entity. To enhance user experience and improve search capabilities, each system now boasts its own unique URL and website:

- [www.apers.org](http://www.apers.org)
- [www.arjrs.org](http://www.arjrs.org)
- [www.asprs.org](http://www.asprs.org)

#### **Legislative Session Preparation**

ASPRS has completed the Legislative Budget meetings this fall in preparation for the upcoming Legislative Session that will begin in January 2025 and prepared our proposed legislative packet which is available for review.

#### **Staff Professional Development**

Over the last quarter, APERS staff members have participated in various professional development opportunities. Supervisors attended the UALR APAC Leadership program in September.

To keep abreast with best practices nationally, staff members have also participated in meetings of these groups:

- National Association of State Retirement Administrators in August
- National Conference of State Social Security Administrators in September
- National Pension Education Association meetings in October
- Public Pension Financial Forum in October